

**2004 Regular Session  
Senate Majority Office**

# FOREWORD

---

This publication, prepared by the Senate Majority Office, provides an overview of the accomplishments of the Twenty-Second Legislature of the State of Hawaii during the recently completed Regular Session of 2004.

This edition consists of four sections:

- (1) The "Table of Contents" is a list of the measures as they appear in the publication. Arranged by Committee with measures categorized by broad topics and descriptive headings, it provides a convenient topical finding aid.
- (2) The "Digest" section is a summary review of the bills passed and concurrent resolutions adopted by both houses of the Legislature and resolutions adopted by the Senate. The measures are categorized by the Senate Standing Committee of first referral. Where applicable, Act numbers, vetoes, and veto overrides as of May 26, 2004 have been inserted.
- (3) The "Budget Summary", prepared from data supplied by the Ways and Means Committee staff, provides a narrative overview as well as appropriation highlights of the Executive Budget.
- (4) The "List of Measures Passed" section is a listing of all measures on which official final action was taken by the Legislature. The listing includes all bills and concurrent resolutions passed by both houses as well as resolutions adopted by the Senate, and includes the draft numbers as well as a short descriptive title for each measure. The measures are listed in numerical order by Committee of first referral.

The Legislative Accomplishments is intended primarily as a desk reference for quick access to summary information concerning bills and concurrent resolutions approved by the Legislature and resolutions adopted by the Senate. Users are urged to refer to the actual measures and accompanying committee reports for details.

The Senate Majority Office  
May 2004



# TABLE OF CONTENTS

---

FOREWORD .....	i
----------------	---

COMMERCE, CONSUMER PROTECTION AND HOUSING .....	1
---	---

## Bills Passed

### I. Commerce

Business Registration; Clarification; Correction; Update .....	1
Business Registration; Fees; Alignment; Reduction .....	1
Certificate of Good Standing; Fee Reduced .....	1
Uniform Commercial Code Article 1; General Provisions; Revised .....	1
Uniform Commercial Code Article 7; Documents of Title; Revised .....	1

### II. Consumer Protection

#### GENERALLY

Charitable Gift Annuities; Net Worth and Reserve Requirements .....	2
Construction Defect Claims; Notice and Opportunity to Repair .....	2
Gift Certificates; Fees Prohibited; Electronic Cards .....	3
Maximum Pre-Tax Wholesale Gasoline Prices; Baseline Formula; Neighbor Island Task Force .....	3
Pension Plans; 401(k) Plans Exempt from Attachment .....	4
Public Benefit Corporations; Attorney General Oversight .....	4
Residential Real Property; Disclosure of Waiver of Construction Defect .....	4

#### OCCUPATIONAL LICENSING

Charitable Solicitations; Regulation .....	5
Cosmetology License Restoration .....	5
Elevator Mechanics; Training Requirement .....	6
Mental Health Counselors Licensure .....	6
Mortgage Brokers and Solicitors; Insurance Producer Experience Equivalency .....	6
Pharmacist Licensure; Continuing Education .....	6
Physicians; Disciplinary Action .....	7
Plumber Licensing .....	7
Private Detectives and Guards; Licensure .....	7
Professional and Vocational License; Abandoned Application .....	7
Radiologic Technology Licensure Administration; Penalties .....	8
Real Estate Licensing; License Recognition Agreements .....	8

#### PRESCRIPTION DRUGS

Hawaii Rx Plus .....	8
Prescription Drugs; Return-for-Credit and Reuse; Charitable Repositories .....	9

## **PUBLIC UTILITIES**

Motor Carriers; Use of Unlicensed Commercial Driver.....	9
One Call Center; Excavation; Notification.....	9
Small Public Utilities; Rate Filing.....	10

## **III. Housing**

Condominium Property Regime; Recodification; Administrative Hearing Pilot Program .....	10
Condominiums; Amateur Radio Antenna Installation.....	11
Condominiums; Telecommunications Equipment .....	11
Housing Loan Programs; Bond Authorization Increased .....	11
Planned Communities; Amateur Radio Antenna Installation .....	11

## **IV. Insurance**

Alien Insurers; State of Entry .....	11
Association Health Plans; Bona Fide Trade Associations.....	12
Insurance; Annuities; Minimum Nonforfeiture Amount.....	12
Insurance; Housekeeping Amendments; Mandated Coverages Exemption for Self-Employed .....	13
Insurance Liability Disputes; Arbitration; Attorney's Fees and Costs .....	13
Interstate Insurance Compact; Adopted .....	13
Loss Mitigation Grants; Reimbursement; Appropriation; Report .....	14
Military Member-Owned Reciprocal Insurer; Claims Service .....	14
Motor Vehicle Insurance; Cancellation; Notice .....	14

## **Resolutions Adopted**

Affordable Rental Housing; Private Development Financing Assistance.....	14
Home Ownership; Hauiki Homes Demonstration Project .....	15
Importation of Prescription Drugs.....	15
Internet; Unsolicited Pornographic Advertisements; Investigation Urged .....	15
Prescription Drugs; Importation from Canada.....	15
Prescription Drugs; Price Negotiations.....	15
Regulation of Money Transmitters; Sunrise Review .....	15

<b>ECONOMIC DEVELOPMENT</b> .....	17
-----------------------------------	----

## **Bills Passed**

### **I. Business and Technology**

Hawaii 3Ts School Technology Laboratories Fund; Project EAST initiative .....	17
Light Pollution; Special Management Area .....	17
Niihau Shell Products .....	17
Petroleum Products; Ethanol Content.....	18

## II. Planning and Management

Financial Literacy for Youth Month .....	18
State Planning; Functional Plans .....	18

## III. Sports and Recreation

Brewpubs; Off-Premises Consumption .....	18
State Boxing Commission of Hawaii .....	18

## Resolutions Adopted

Cooperative Ventures; Promotion of Hawaii and its Products on the U.S. Mainland.....	19
Digital Media Industry; Hawaii Film and Television Development Board.....	19
International Animation Film Festival .....	19
Korea Visa Processing Capacity Expansion; Visa Program Waivers; Congressional Support.....	19
Marshall Islands Nuclear Claims Tribunal; Congressional Support for Compensation Awards .....	19
Spirit of Hawaii; Goodwill and Friendship Mission to North Korea .....	19
Workforce Development; Identification of Industry Clusters; Development of Labor Supply-Demand Matrices; Expansion of Educational Opportunities.....	20

<b>EDUCATION</b> .....	21
------------------------	----

## Bills Passed

### I. Department of Education

CHARTER SCHOOLS	
Charter Schools; Audits; Laws.....	21
Charter Schools; Funding .....	21
Host Culture Charter School District; Charter School District; Study .....	21
DOE; PROGRAMS	
Department of Education; Hawaiian Language Medium Education .....	21
Department of Education; University of Hawaii; Running Start Program.....	22
EDUCATIONAL REFORM	
Reinventing Education Act of 2004; Department of Education; Board of Education .....	22
Reinventing Education Act of 2004 Amendments; After-School Plus Program Revolving Fund .....	23
PUBLIC SCHOOL FACILITIES	
Department of Education; School Repair and Maintenance; Hawaii 3R's.....	24

## SCHOOL PERSONNEL

Department of Education; Retired Teachers; Coursework Waiver to Serve as Substitute Teachers .....	24
Multi-Track Schooling; Kapolei Elementary and Middle School .....	24

## SPRBS; PRIVATE SCHOOLS

Damien Memorial High School; SPRBs .....	24
Haleakala Waldorf School; SPRBs .....	24
Iolani School; SPRBs .....	25
Island Pacific Academy; SPRBs .....	25
Montessori School of Maui; SPRBs .....	25

## STUDENTS

Department of Education; Textbook and Instructional Materials Fee Special Account .....	25
Two Tier Junior Kindergarten and Kindergarten Program; Entrance Age.....	25

## OTHER ISSUES

Auditor; Access to Student Health and Education Records .....	25
Hawaii Commission for National and Community Service .....	26
Higher Education Statutory Analysis Interim Study Group .....	26
Interstate Agreement on Qualification of Educational Personnel .....	26

## **II. University of Hawaii**

GEAR UP Hawaii Scholarship Trust Fund .....	26
University of Hawaii Foundation; Reports.....	26
University of Hawaii; Student Scholarship and Assistance Special Fund .....	26

## **Resolutions Adopted**

### **I. Department of Education**

#### ASSISTANCE TO STUDENTS

Alternative Schools; Dropout Centers; Drug Addicted Adolescents .....	27
Community-Based Youth Programs; 1st Representative District.....	27
Felix Consent Decree; Joint Senate-House Investigative Committee .....	27

#### BOARD OF EDUCATION

Board of Education; Community Input .....	27
---	----

#### FEDERAL PROGRAMS

Development, Relief, and Education for Alien Minors (DREAM) Act .....	28
Perkins Vocational and Technical Education Act; Congressional Support .....	28

#### OTHER ISSUES

Department of Education; Central Kitchens .....	28
Department of Education; Physical Education .....	28
Military Impacted Schools Task Force .....	28

Occupational Therapists, Physical Therapists, and Speech Therapists; Parity Study .....	28
Philippines Student Exchange .....	29
Public Schools; School Health Aide Personnel.....	29

## II. University of Hawaii

### FACILITIES

Master Building Plan for the College of Education .....	29
Paradise Park; University of Hawaii Acquisition.....	29

### PROGRAMS

Asia-Pacific Risk Management and Insurance Program within the College of Business Administration at the University of Hawaii at Manoa .....	29
Harold L. Lyon Arboretum; Audit .....	29
Hawaiian Students; University of Hawaii; Audit of Recruitment Programs.....	29
University of Hawaii at Hilo, College of Pharmacy .....	30
University of Hawaii School of Global and Public Health.....	30

<b>ENERGY AND ENVIRONMENT.....</b>	<b>31</b>
------------------------------------	-----------

### Bills Passed

#### I. Energy

Business Trade Secrets and Proprietary Information; Natural Energy Laboratory of Hawaii Authority .....	31
Energy Performance Contracts; Financing Options .....	31
Ethanol Facility Tax Credit .....	31
Honolulu Seawater Air Conditioning LLC; SPRBs .....	31
Net Energy Metering; Increased Capacity; Government Entity.....	32
Renewable Energy; Fuel Tax Reduction .....	32
Renewable Energy; Renewable Portfolio Standards; PUC Study .....	32
Renewable Energy Technologies; Income Tax Credit.....	32
Worldwide Energy Group, Inc.; SPRBs; Extension.....	32

#### II. Environment

Deposit Beverage Container Program .....	33
Emergency Environmental Workforce .....	33
Endangered Species; Interim Rulemaking .....	33
Environmental Impact Statements; When Required; Accepting Agency.....	33
Illegal Dumping; Reward for Reporting.....	34
Pest Control Operators; Sanctions .....	34
Polybrominated Diphenyl Ethers; Restrictions .....	34
Small Business Penalty Waiver; Limitation .....	34
Soil Renutrification Research; Appropriation .....	34



## Resolutions Adopted

### ENERGY

Energy; Electricity; Intra-Governmental Wheeling .....	34
Honolulu Seawater Air Conditioning and Thermal Energy Source System.....	35
Renewable Hydrogen Technologies; Iceland-Hawaii Partnership .....	35

### ENVIRONMENT

Backhauling of Shipping Materials by Big Box Retailers .....	35
Compost; Soil Remediation; Plant Bed .....	35
Light Pollution; County Ordinances .....	35
Maui; Water Quality; Lead Contamination .....	35
Precautionary Principle .....	36
Precautionary Principle; Legislative Reference Bureau Review .....	36
State Boating Facilities Management Audit; Department of Land and Natural Resources Progress Report .....	36
Water Quality Monitoring Program; Legislative Reference Bureau Feasibility Study .....	36
Yellowstone Buffalo Preservation Act; Congressional Support Urged .....	36

<b>HEALTH</b> .....	37
---------------------	----

## Bills Passed

### APPROPRIATIONS FOR HEALTH AND HUMAN SERVICES

State Funds; Emergency Budget and Reserve Fund; Health and Human Services Programs .....	37
---	----

### EMERGENCY MEDICAL SERVICES

Emergency Medical Services .....	38
Emergency Medical Services; Immunity for Emergency Aeromedical Services.....	39

### HEALTH FACILITIES

Certificate of Need; Hospitals .....	39
Rehabilitation Hospital of the Pacific; SPRBs .....	39
St. Francis Healthcare System of Hawaii; SPRBs .....	39

### HEALTH RELATED INSURANCE

Dental Insurance .....	39
Health Insurance; Managed Care Plans; Complaints and Appeals Procedures .....	39
Motor Vehicle Insurance; PIP benefits; Naturopathy .....	39

### LICENSING; PROFESSIONAL AND VOCATIONAL

Dental Examination .....	39
Dental Licensing and Dental Hygienist Licensing; Community Service Licenses .....	40
Medicine and Surgery Licensure; Canadian Residency Training and Examination.....	40
Nurses; Licensure; Foreign Nursing Schools .....	40

MEDICAL RECORDS	
Medical Records; Confidentiality .....	40
Medical Records of Deceased Person; Release .....	41
MENTAL HEALTH	
Advance Mental Health Care Directives .....	41
Mental Health .....	41
NURSING	
Nurses; Prescriptive Authority .....	42
Public Health Nursing Services.....	42
PHARMACEUTICAL DRUGS	
Generic Substitution of Prescription Drug Products .....	42
Optometry; Use of Pharmaceuticals .....	42
Practice of Pharmacy.....	42
OTHER ISSUES	
Air Pollution Control .....	42
Automatic External Defibrillators .....	43
Kalaupapa Settlement .....	43
Medical Errors; Peer Review .....	43
Pain Patient's Bill of Rights .....	43
School Health .....	43
Sterile Syringes for the Prevention of Disease .....	44

## Resolutions Adopted

CAREGIVERS	
Executive Office on Aging; Family Caregivers .....	44
Family Caregivers; Recognized Contributions .....	44
DISABILITIES	
Hawaii State Council on Developmental Disabilities; Task Force; Residential Setting Choices .....	44
Individuals with Disabilities; Community Services .....	44
MEDICAL MATTERS	
Continuing Medical Education; Pain Management .....	45
Dialysis Treatment; Puna District .....	45
Federal Communications Commission; Cellular and Radio Antennas; Waiawa Industrial Area .....	45
Fetal Alcohol Spectrum Disorder; Establish Statewide Effort .....	45
Health Insurance; Cognitive Rehabilitation Coverage; Impact Assessment Report.....	45
Mammography Studies; Reimbursement Levels .....	45
Medical Marijuana; Legislative Reference Bureau; Study .....	46
Mold Working Group.....	46
Polio Awareness .....	46

MENTAL HEALTH	
Mental Health Services; Private Pay Graduated Charges; Rules .....	46
Mental Health Treatment; Department of Health; Working Group; State-Operated or State Contracted Facilities.....	47
OTHER ISSUES	
American Medical Association House of Delegates; Interim Winter Meeting .....	47
Health Care Barriers; Men .....	47
State Capitol; Smoke-Free .....	47
United Nations Center in Hawaii; Exploratory Task Force; World Youth Congress Center .....	47
<b>HUMAN SERVICES.....</b>	<b>49</b>

### **Bills Passed**

CHILDREN	
Child Abuse and Neglect; Drug-affected infants; Federal Grants .....	49
Child Abuse and Neglect Programs; Income Tax Check-Off; Funding.....	49
Early Childhood Care; Appropriation .....	49
Public Health Statistics Records; Child Support Enforcement Agency .....	49
HOSPITALS	
Critical Access Hospitals; Payment Methodology .....	49
Long-Term Care Services; Reimbursement Methodology .....	50
PROSTITUTION	
Promoting Sex Tourism; Travel Agencies; Penalties.....	50
PUBLIC ASSISTANCE	
General Assistance; Disability Qualifications .....	50
Home and Community-Based Services .....	50
Pregnant Legal Immigrants; Medical Assistance .....	51
Public Assistance; Administrative Appeals .....	51
Public Assistance Benefits; Motor Vehicle Insurance; Covered Loss Deductible.....	51

### **Resolutions Adopted**

CHILDREN	
Care Home Facilities for Needy Children of Hawaiian Ancestry .....	51
Healthy Start for Young Children and At-Risk Families; Statewide Interagency Task Force .....	51
Prenatal Care; Medical Assistance Application; Audit.....	52
DISABLED PERSONS	
Developmental Disability Providers; Payment Delays .....	52
Small Business Development and Careers for the Disabled; Task Force .....	52

OTHER ISSUES	
Affordable Housing Task Force.....	52
Family Court; Misuse of Legal Interventions .....	52
Self-Sufficiency Standard; Utilization.....	53
Substance Abuse Treatment Facilities; Leasing Surplus State Land .....	53
<b>JUDICIARY AND HAWAIIAN AFFAIRS .....</b>	<b>55</b>
<b>Bills Passed</b>	
CIVIL LAW	
Attorneys' Liens; Judgments.....	55
Claims Against the State; Appropriation .....	55
CONTROLLED SUBSTANCES	
Drug Demand Reduction Assessments; Monetary Assessments.....	55
Substance Abuse; Controlled Substances; Crystal Methamphetamine (Ice) .....	56
Uniform Controlled Substances Act; Updates; Regulation of Quantities of Certain Chemicals Distributed .....	57
COURTS	
Administrative Fees; Traffic Cases; Judiciary Computer System Special Fund.....	57
Appellate Court Costs; Appeals; Fees .....	57
Appellate Jurisdiction; Reform .....	57
Court Fees; Judiciary Computer System Special Fund.....	58
Credit and Debit Cards; Payments for Court Costs .....	58
Delinquent Court-Ordered Payments; Collection.....	58
Family Court; Child Protective Services; Open Hearings; Non-Lawyer Advocates Allowed .....	58
Judges; Disqualification; Pecuniary Interests .....	58
Judiciary Supplemental Appropriations Act of 2004 .....	58
Uniform Guardianship and Protective Proceedings Act.....	58
CRIMINAL LAW	
Criminal Trespass; Squatting; Public Property.....	59
Habitual Property Crime; Penalties.....	59
License Suspension or Revocation; Driving under the Influence of Intoxicants; Prior Offenses .....	59
Solid Waste; Felony Disposal .....	59
Stalking; Jurisdiction .....	59
Tobacco Products; Untaxed Cigarettes; Supersedeas Bonds .....	59
Urinating and Defecating in Public; Penalties .....	60
CRIMINAL PROCEDURE	
Bail Jumping .....	60
Criminal Information Charging; Constitutional Amendment .....	60
Criminal Information Charging; Procedure .....	60

Deferred Acceptance of Guilty and Nolo Contendere Pleas; Substantial Bodily Injury .....	61
Privileged Communications; Inadmissibility; Constitutional Amendment .....	61
<b>ELECTIONS</b>	
Absentee Voting; County of Kalawao (Kalaupapa) .....	61
Campaign Spending .....	61
Office of Elections and the Campaign Spending Commission .....	62
<b>PUBLIC SAFETY</b>	
Hawaii Paroling Authority; Nomination Panel .....	62
Prisoner Transportation and Housing; Appropriation .....	62
Probation Services Fee; Interstate Compact; Compact Commission .....	62
<b>SEXUAL OFFENDERS</b>	
Public Access to Information; Offenses Against Children; Sexual Offenses; Constitutional Amendment .....	63
Sexual Assault; Continuing Course of Conduct; Constitutional Amendment .....	63
Sexual Contact; Sexual Penetration .....	63
Sex Offender Registration and Notification; Reporting Requirements; Task Force .....	63
<b>TAX</b>	
Tax Appeals; District Board of Review or Tax Appeal Court; Payments .....	63
Use Tax .....	64
<b>OTHER ISSUES</b>	
Boards and Commissions; Sovereign Immunity .....	64
Club Cards; Identity Theft .....	64
Firearm and Ammunition; Transfer of Ownership; Restraining Orders .....	64
Statutory Revision Measure .....	65

## **Resolutions Adopted**

### **I. Judiciary**

Child Support Adjustments for Activated Military Personnel; Task Force .....	65
Correctional Facilities; Gender Responsive Environment .....	65
Decriminalizing Non-Serious Offenses; Study .....	65
Immigration Laws; Congressional Amendments .....	65
Sex Offender Registration; Public Access .....	65

### **II. Hawaiian Affairs**

Haiku Stairs; Cease Easements for Access .....	66
Native Hawaiian Knowledge Holders; Intellectual Property Rights; Recognition and Study .....	66

<b>LABOR .....</b>	<b>67</b>
--------------------	-----------

## **Bills Passed**

### **I. Public Employment**

<b>CIVIL SERVICE</b>	
Civil Service Status; New Century Conversion Charter School Employees .....	67
Exempt Employees; Transfers and Promotional Examinations .....	67
<b>COLLECTIVE BARGAINING</b>	
Collective Bargaining; Employment Practices; Discrimination .....	67
Public Employees; Smoking in Public Schools; Prohibited.....	67
Public Officers and Employees Excluded from Collective Bargaining; Salary Increases and Cost Items.....	68
Units (1) and (5); Emergency Appropriation for Salary Increases.....	68
Units (2), (3), (4), (6), (8), and (13); Appropriation for Salary Increases and Cost Items .....	68
Unit (5); Appropriation for Salary Increases and Cost Items .....	68
Unit (7); Appropriation for Salary Increases and Cost Items .....	68
Unit (10); Appropriation for Salary Increases and Cost Items .....	68
<b>RETIREMENT</b>	
Counties; Deferred Compensation Retirement Plan .....	69
Defined Benefit Hybrid Contributory Plan; Class H Membership .....	69
Employer Contributions; Early Incentive Retirement Plan .....	69
Federal Tax Limit on Compensation; Employees' Retirement System.....	69
Federal Tax Qualification .....	70
Optional Retirement System; University of Hawaii.....	70
Service-Related Disability Compensation; Police Officers.....	70
<b>OTHER ISSUES</b>	
Compensation and Benefit Packages; Excluded Employees .....	70
East-West Center Employees; Medicare Benefits .....	71
Employer-Union Health Benefits Trust Fund; Retirees; Return to Service .....	71

### **II. Private Employment**

<b>EMPLOYEE RIGHTS AND BENEFITS</b>	
Discrimination; Equal Pay; Task Force.....	71
Family Leave; Parent-Teacher or Parent-Caregiver Conferences .....	71
Workers' Compensation Insurance and Liability Insurance; Pest Control Operators .....	71
Workers' Compensation; Investigation and Prosecution; Recovery of Fees.....	72
Workers' Compensation Program; Emergency Appropriation.....	72
Workforce Development; Services for Citizens of the Freely Associated States .....	72

### **III. Unemployment Issues**

Dislocated Workers; Employer Notification .....	72
Unemployment Insurance; Weekly Benefits .....	73

#### **Resolutions Adopted**

Cleaner's Appreciation Day .....	73
DBEDT; Labor Supply and Demand Matrices; Educational Pipelines.....	73
DHRD; Delay of the Elimination of the Social Worker Series.....	73
Department of Labor and Industrial Relations; Family Leave; Sick Leave; Enforcement of Act 44, Session Laws of Hawaii 2003.....	74
Employee Free Choice Act .....	74
Military Residential Communities Initiative; Local Contractors; Investigation of Piecework System and Rate-Fixing.....	74

<b>SCIENCE, ARTS AND TECHNOLOGY .....</b>	<b>75</b>
---	-----------

#### **Bills Passed**

##### **I. Communications**

Privacy; Digital Records .....	75
Telemarketing; Do-Not-Call Provisions.....	75

##### **II. Culture and Arts**

State Art Museum .....	75
------------------------	----

##### **III. Technology and Development**

Capital Investment; State Private Investment Fund; Economic and Business Incentives .....	75
Electricore, Inc.; SPRBs .....	76
High Technology Development Corporation; High Technology Special Fund .....	77
Townsend Capital, LLC; SPRBs .....	77

#### **Resolutions Adopted**

Chinese Lunar New Year Commemorative Stamps; Final Ceremony in Hawaii.....	77
Hawaii Capital Cultural District.....	77
Institutional Network; Public, Education, and Government Access System .....	77
Island Burial Councils; Accountability .....	77
Miss Hawaii; Official Honorary Hostess.....	78
Open Source Software in State Government; Status Report; State Policy .....	78
Robotics Education .....	78
State Historic Preservation Division; Cultural Consultants and Monitors .....	78
State Website; Online "fixIt" option.....	78

<b>TOURISM</b> .....	79
----------------------	----

### **Bills Passed**

#### HAWAII TOURISM AUTHORITY

Hiring of Attorneys; Hawaii Tourism Authority (HTA) Finances; HTA Executive Director; Sports Coordinator .....	79
Tourism; Marketing Plan; New Product Development .....	79

#### OTHER ISSUES

General Excise Tax Exemption.....	79
Hawaii Convention Center; Disclosure of Information .....	80
Tourism Special Fund; Aloha Aina Patrol .....	80

### **Resolution Adopted**

Haleiwa Town, Surfing Capital of the World.....	80
People's Republic of China Visitor Visas; Department of Homeland Security Immigration Program.....	80

<b>TRANSPORTATION, MILITARY AFFAIRS &amp; GOVERNMENT OPERATIONS</b> .....	81
---	----

### **Bills Passed**

#### **I. Transportation**

#### DRIVER LICENSING

Commercial Driver Licensing .....	81
Driver's License; Fraudulent Use.....	81

#### HIGHWAY SAFETY

Driving Under the Influence of an Intoxicant .....	82
--	----

#### MOTOR VEHICLES

Motor Vehicle Alarm Systems; Excessive Speeding .....	82
Rental Cars; Motor Vehicle Rental Industry .....	82
Street Rod Vehicles .....	82
Sun Screening Devices .....	82

#### TRANSPORTATION FACILITIES

Airport Concession Relief .....	82
Impact Fees; State Highway Improvements; Counties .....	83
Passenger Facility Charges .....	83



## II. Military Affairs

Civil Air Patrol; Appropriation.....	83
Federal Impact Aid Moneys .....	83
Housing Financing Programs .....	83
Military Communities; Businesses .....	83
Military Reservists; Income Tax Deduction .....	83

## III. Government Operations

COMMUNICATIONS	
Wireless Enhanced 911 .....	84
COUNTIES	
Halfway Houses.....	84
National Association of Counties, 2005 Conference.....	84
PROCUREMENT	
Procurement .....	84
STATE GOVERNMENT	
Board Members .....	85
Emergency Appropriation for Risk Management .....	85
Mandatory Ethics Training .....	85
State Government Appropriations .....	85

## Resolutions Adopted

### I. Transportation

Barbers Point Harbor; Increase in Depth.....	85
Hawaii Superferry .....	85
Kawaihae Harbor Access Road and Fence; Feasibility Study .....	85
Transfer of Vanpool Programs to Counties.....	86

### II. Military Affairs

Deployed Hawaii National Guard and Military Reservists; Support .....	86
Filipino Veterans Equity Act of 2003; Presidential and Congressional Support Urged.....	86
Filipino Veterans of World War II .....	86
Filipino World War II Veterans; Support .....	86
Health Care Benefits for Veterans; Restoration .....	86
Korean Vietnam Veterans Memorial.....	86
Long-Term Care Veterans Home in Hilo; Yukio Okutsu .....	87
Veterans Benefits; Filipino Veterans of World War II; Congressional Support Urged.....	87
Veterans Benefits; Increased Funding.....	87

### III. Government Operations

Kiyono Kunitake State Recreation Area .....	87
Pledge of Allegiance .....	87

### IV. International Relations

Sister-State Relationship with Hawaii; Rabat-Salé-Zemmour-Zaër, Kingdom of Morocco .....	87
Unified Buddhist Church of Vietnam; Support .....	87
Vietnamese American Community's Flag Symbol .....	88

<b>WATER, LAND, AND AGRICULTURE .....</b>	<b>89</b>
---	-----------

#### Bills Passed

##### I. Agriculture

DIVERSIFIED AGRICULTURE	
Agribusiness Development Corporation; Staggered Terms .....	89
Aloun Farms; SPRBs .....	89
LANDS AND INFRASTRUCTURE	
Agricultural Lands; Private Restrictions Prohibited .....	89
Non-Agricultural Park Lands; Interdepartmental Land Transfers .....	89
OTHER ISSUES	
Milk Control; Minimum Prices and Salvage Values .....	89

##### II. Lands

CONSERVATION AND PRESERVATION	
Exceptional Trees; Tax Deduction .....	89
Habitat Conservation Plans; Financial Flexibility .....	90
Natural Resources Violations; Department of Land and Natural Resources; Enforcement .....	90
PLANNING AND MANAGEMENT	
Civil Defense Sirens; Coastal Zone Management Exemption .....	90
Hawaii Community Development Authority; Kalaeloa Community Development District; Maintenance of Properties .....	90
Office of Planning; Report to Director of DBEDT .....	90
Public Lands; 999-Year Homestead Leases; Assignment .....	90
WATER RESOURCES	
Disposition of Impounded and Derelict Vessels .....	91
OTHER ISSUES	
International Equestrian Facility; Feasibility Working Group .....	91

Land Exchange; George Galbraith Trust .....	91
Public Access; Misdemeanor Penalty and Fines for Obstruction .....	91

## Resolutions Adopted

### I. Agriculture

Agribusiness Incubator; College of Tropical Agriculture and Human Resources.....	91
--	----

### II. Lands

Economic Factors and Impacts; Conservation of Forestry and Agricultural Resources .....	92
Economic Impacts; Conservation of Forestry and Agricultural Resources .....	92
Haiku Stairs; Access .....	92
Kaneohe Meadowland; Conservation Protection .....	92
Land Exchange between State of Hawaii and Maui Land & Pineapple Inc. ....	92
Land Exchange between State of Hawaii and Parker Ranch Land Trust .....	92
Poamoho Camp; Eviction Delay Requested.....	93
Renaming Heeia State Park to Lae 'O Kealahi State Park .....	93
Spinner Dolphins; National Oceanic and Atmospheric Administration .....	93
Stream Erosion; Heeia, Kealahala/Keolaa, Kawa, and Kaneohe Streams.....	93
Submerged Lands at Kaneohe, Non-Exclusive Easement.....	93
Submerged Lands at Spreckelsville, Wailuku, Maui; Non-Exclusive Easement .....	93
Waikane Training Area; U.S. Marine Corps .....	93
Water Rights; "Blue Hole" Diversion; Kauai Island Utility Cooperative .....	94

<b>WAYS AND MEANS .....</b>	<b>95</b>
-----------------------------	-----------

## Bills Passed

### I. Fiscal Matters

Agricultural Research and Market Development; Appropriation .....	95
Certificates of Deposit; Securities for Public Funds.....	95
Compliance Resolution Fund Repeal; Transfer to General Fund; Establish Compliance and Regulatory Education Fund; Appropriation .....	95
Compliance Resolution Fund; Transfer to General Fund .....	95
Disaster Revolving Loan Fund; Emergency Appropriation .....	95
Drug Abuse Treatment, Drug Education and Awareness, Community-Based Substance Abuse Prevention and Drug Treatment Monitoring Programs; Appropriations .....	95
Executive and Judiciary Budgets; GO Bonds .....	97
Legislative Service Agencies; Appropriations for Expenses .....	97
Special and Revolving Fund Transfers to General Fund; Reduce Balance Ceiling .....	97
State Budget .....	97
State Funds; Interest Payable .....	97

## II. Tax Matters

Income Tax Withholding; Employer Liability .....	97
State Income Tax Law; Conformance with Federal Internal Revenue Code .....	98

## III. Administrative Matters

Business Action Center; Public Employees .....	98
Deputy Directors and Special Assistants; Executive Departments; Appointment .....	98
Integrated Tax Information Management System .....	98
Name Changes; Filing Fee Reduced .....	98

## **BUDGET SUMMARY .....** 99

### OVERVIEW

Council on Revenues .....	99
Economic Outlook .....	99
Budget Situations in Other States .....	100
Budget Shortfalls .....	100
Hawaii in Relation to Other States .....	100

### BUDGETING PRINCIPLES .....

 100

### PRIORITIES .....

 101

Reinventing Our Public School System .....	101
Fighting the Ice Crisis .....	103
Increasing the Affordability of Prescription Drugs .....	104

### DEPARTMENT OF HUMAN SERVICES .....

 105

### DEPARTMENT OF HEALTH .....

 105

Hawaii Health Systems Corporation .....	105
---	-----

### DEPARTMENT OF EDUCATION .....

 106

### UNIVERSITY OF HAWAII .....

 106

### DEPARTMENT OF PUBLIC SAFETY .....

 106

### DEPARTMENT OF DEFENSE .....

 106

### DEPARTMENT OF TRANSPORTATION .....

 107

### DEPARTMENT OF LAND AND NATURAL RESOURCES .....

 107

### DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES .....

 107

### DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS .....

 108

### CONCLUSION .....

 109

### BUDGET TABLES (by Department) .....

 110

## **LIST OF MEASURES PASSED .....** 135

COMMERCE, CONSUMER PROTECTION AND HOUSING .....	135
---	-----

ECONOMIC DEVELOPMENT .....	138
----------------------------	-----

EDUCATION.....	139
ENERGY AND ENVIRONMENT .....	142
HEALTH .....	144
HUMAN SERVICES.....	146
JUDICIARY AND HAWAIIAN AFFAIRS .....	148
LABOR.....	151
SCIENCE, ARTS AND TECHNOLOGY .....	153
TOURISM .....	154
TRANSPORTATION, MILITARY AFFAIRS AND GOVERNMENT OPERATIONS .....	155
WATER, LAND, AND AGRICULTURE .....	158
WAYS AND MEANS.....	160



# COMMERCE, CONSUMER PROTECTION AND HOUSING

---

*The Committee on Commerce, Consumer Protection and Housing has jurisdiction over programs relating to business regulation, occupational licensing, consumer protection, financial institutions, insurance regulation; public utility regulation; and telecommunications regulation; housing development, the landlord tenant code, condominium property regimes, and leaseholds.*

## Bills Passed

### I. Commerce

**Business Registration; Clarification; Correction; Update. (SB2908, SD1, HD1, CD1)** Makes general housekeeping amendments to business registration laws to clarify ambiguities, and correct errors and inconsistencies that have occurred due to changes in the Business Registration Division's policies and procedures, and due to drafting errors. Among other actions: (1) authorizes a shareholder agreement that governs the validity and enforceability of corporate action approved by less than unanimous consent; (2) authorizes the appointment of a trustee or receiver for dissolved corporations; (3) clarifies the merger laws; (4) conforms the Uniform Limited Partnership Act to current business registration practices; (5) repeals the requirement that limited liability companies be in written form; and (6) repeals obsolete language and inapplicable statutory references.

**Business Registration; Fees; Alignment; Reduction. (SB1318, SD1, HD2, CD1)** Authorizes the Director of Commerce and Consumer Affairs to increase or decrease fees for a license, permit, certificate, or registration in order to maintain a reasonable relationship between the revenues derived from the fees and the cost or value of services rendered for the fees. Clarifies that the authority to increase or decrease fees or nontax revenues applies to those fees established by statute or rule. Reduces various fees for business corporations, nonprofit corporations, partnerships, limited partnerships, and limited liability companies.

**Certificate of Good Standing; Fee Reduced. (SB2906, SD1, HD2, CD1)** Reduces the fee charged to business entities for the issuance of a certificate of good standing from \$25 to \$5.

**Uniform Commercial Code Article 1; General Provisions; Revised. (HB1259, HD1, SD1, CD1)** Repeals the current article 1 of the Uniform Commercial Code, and adopts an updated and revised version of the Code's general provisions, including those related to general definitions, principles of interpretation, and territorial applicability.

**Uniform Commercial Code Article 7; Documents of Title; Revised. (HB2147, HD1, SD1)** Repeals the current article 7 of the Uniform Commercial Code (article 7) relating to documents of title and adopts a revised version that establishes a framework for the further development of electronic documents of title. Expands definitions to recognize electronic documents of title, extends statute of fraud requirements to electronic records and signatures, and authorizes an electronic system of transfers. Precludes federal preemption issues by providing that article 7 supersedes the federal Electronic Signature in Global and

National Commerce Act, as permitted in that Act. Updates the law consistent with state, federal, and international developments.

## **II. Consumer Protection**

### **GENERALLY**

#### **Charitable Gift Annuities; Net Worth and Reserve Requirements. (SB3049, SD2, HD2, CD1)**

Reduces the minimum net worth requirement for a nonprofit educational foundation or organization that issues charitable gift annuities from \$5,000,000, to \$200,000 in cash, cash equivalents, or public traded securities, exclusive of the assets funding of any annuity. Requires that annual compliance statements be filed with the Department of the Attorney General, rather than the Department of Commerce and Consumer Affairs. Repeals the reserve requirement of one-half of the annuity's value maintained in a separate annuity fund. Requires, instead, that the nonprofit maintain segregated assets in a financial institution equal to at least the sum of its reserves on its outstanding charitable gift annuity agreements, calculated in accordance with accepted actuarial standards, and the greater of a surplus of 10% of the reserves or the amount of \$100,000. Further requires the segregation of the reserves from all other funds, prohibits their application towards the nonprofit's other debts or obligations, and precludes their consideration in a determination of the nonprofit's net worth. In determining fund reserves, requires a deduction for an annuity risk that is lawfully reinsured. Establishes a "prudent investor" standard for the investment and management of the nonprofit's assets. Requires the first page of a charitable gift annuity agreement to contain a prominent statement disclosing that the agreement is not insurance under state law, is not regulated by the Insurance Division, and is not protected by any state guaranty fund. Deems a charitable gift annuity agreement to be insurance and subject to the insurance code provisions governing life insurance upon the nonprofit's failure to comply with the requirements for a charitable gift annuity agreement. Amends the definition of "nonprofit organization".

#### **Construction Defect Claims; Notice and Opportunity to Repair. (SB2358, SD2, HD1, CD1)**

Abolishes the Design Professional Conciliation Panel and establishes the Contractor Repair Act, that applies to all construction defect claims, except those that include claims for personal injury or death, and that: (1) requires a claimant, at least 90 days before the filing of an action for a construction defect, to serve the contractor with a written notice of claim describing the claim in detail and the results of any testing done; (2) clarifies that the filing of a claim does not obligate an insurer to defend against the claim; (3) requires a contractor to serve the notice of claim on its subcontractors; (4) requires a claimant, after serving the notice of claim, to give a contractor reasonable prior notice and an opportunity to observe if any testing is done; (5) provides that a contractor rejects a claim by serving the claimant with a written rejection or by failing to respond to the claim within 30 days of service; (6) requires a contractor, within 30 days of being served with the notice, to serve the claimant and any other contractor served with the notice with a written response that offers to settle by monetary payment, by making repairs, or by doing both, or that proposes to inspect the premises; (7) requires a claimant, within 30 days after a proposal for inspection (45 days for a condominium association) to provide access for inspection, documentation of alleged defects, and testing, and establishes other testing-related requirements; (8) requires a contractor, within 14 days of inspection and testing to serve on the claimant (a) a written offer to fully or partially remedy the defect at no cost to the claimant, to settle by monetary payment, or to do both; or (b) a statement that the contractor will not proceed further to



remedy the defect; (9) authorizes a claimant, within 30 days of receipt of a settlement offer (45 days for a condominium association) to accept an offer by written notice, deems the failure to provide the same a rejection of the offer, and requires the acceptance of an offer to repair to include unfettered access to the premises for repair work; (10) authorizes an offer of settlement by any party after service of the notice of claim and establishes the effects of an offer's acceptance or nonacceptance; (11) requires unresolved claims to be mediated; (12) allows the filing of an action against a contractor notwithstanding the preclusion thereof by a statute of limitation or repose after a claim has been noticed, but not resolved, but provides that the action is stayed pending repair of the defect or mediation; (13) provides that the notice and opportunity to repair requirements apply to defects discovered after the notice of claim has been served; (14) prohibits a claimant from bringing an action for claims resolved in whole or in part; (15) requires contracts for new construction or substantial remodeling to contain a provision regarding the notice and opportunity to repair law; (16) clarifies that the notice and opportunity to repair law does not interfere with a contractor's right to seek indemnification against a subcontractor, supplier, or design professional; and (17) requires the dismissal of a lawsuit or arbitration without prejudice if it has not met the requirements of the notice and opportunity to repair law, unless certain mitigating circumstances apply.

**Gift Certificates; Fees Prohibited; Electronic Cards. (HB2143, HD2, SD1, CD1)** Prohibits the issuer of a gift certificate from charging service fees, including but not limited to dormancy or inactivity fees. Requires a gift certificate's date of issuance and expiration date to be clearly identified on its face, or if an electronic card with a banked dollar value, clearly printed on the card's sales receipt. Prohibits a card with an expiration date less than two years from the date of issuance, and deems a gift certificate with no expiration date valid in perpetuity. Exempts promotional gift certificates or those issued to charitable organizations, where no consideration is given to the issuer by the consumer, provided that an expiration date, if any, appears on the gift certificate or accompanying sales receipt. Amends the definition of "gift certificate" or "certificate" to mean an electronic card with a banked dollar value for which the issuer has received payment for the full value in exchange for the future purchase or delivery of goods or services, any certificate where the issuer has received payment for the full face value of the certificate for future purchase or delivery of goods or services, and any other medium that evidences the giving of consideration in exchange for the right to redeem the certificate, electronic card, or other medium for goods, food, or services of at least an equal value. Takes effect on 7/1/05.

**Maximum Pre-Tax Wholesale Gasoline Prices; Baseline Formula; Neighbor Island Task Force (SB3193, SD2, HD2, CD1)** Repeals maximum pre-tax retail gasoline price requirements. Extends maximum pre-tax wholesale gasoline price requirements to mid-grade and premium grade gasolines. Divides the State into zones, and replaces the neighbor island wholesale adjustment, location adjustment, and marketing adjustment factors with zone price adjustments to be established by the Public Utilities Commission (PUC) on a zone by zone basis. Requires manufacturers, wholesalers, and jobbers to furnish information to the PUC to determine the zone price adjustments. Authorizes adjustments to the zone price adjustment. Establishes a five cents per gallon mid-grade adjustment factor and nine cents per gallon premium adjustment factor, and authorizes adjustments thereto. Establishes the baseline price for unleaded regular gasoline as the average spot price of regular unleaded gasoline in Los Angeles, New York Harbor, and the United States Gulf Coast according to the Oil Price Information Service, but allows the PUC to determine a more appropriate baseline or reporting service. Establishes the maximum pre-tax wholesale price of regular unleaded, mid-grade, and premium gasolines to be the baseline price for regular unleaded gasoline,

plus the location adjustment, marketing margin factor, and the zone price adjustment, and for mid-grade and premium gasolines, the applicable mid-grade and premium adjustment factors. Delays the imposition of the maximum pre-tax wholesale gasoline price requirements from 7/1/04 to 9/1/05.

Requires the Attorney General to investigate and report to the Legislature regarding shortages or conditions affecting the supply of petroleum products. Requires the PUC to report to the Governor and Legislature on significant aberrations, trends, or conditions that may adversely impact Hawaii's gasoline consumers. Requires the Governor's written determination that suspends the price caps for economic, health, or safety reasons, to specify the specific statutory or administrative provision being suspended and the specific reasons therefor. Establishes a special task force comprised of eight legislators representing Kauai, Maui, Molokai, Lanai, and Hawaii, the Director of Business, Economic Development, and Tourism, and the Director of Transportation, to investigate the petroleum industry's operations on the those islands and to consider other related issues. Requires the task force to report to the Legislature before the 2005 Regular Session. Appropriates \$500,000 in general revenues to the PUC for FY04—05 to administer its duties under the Act.

**Pension Plans; 401(k) Plans Exempt from Attachment. (HB2558, HD1; Act 34)** Includes 401(k) plan benefits among pension/retirement benefits exempt from the claims of creditors pursuant to attachment, execution, seizure, and bankruptcy and other insolvency proceedings.

**Public Benefit Corporations; Attorney General Oversight. (HB2363, HD1, SD2)** Adopts Revised Nonprofit Corporation Act provisions relating to oversight of charitable and educational nonprofit organizations by the attorney general, including those that: (1) require a third party that commences a proceeding against a public benefit corporation authorized to be brought by the Attorney General, to give the Attorney General written notice of the proceedings within 10 days of its commencement, and authorizes the Attorney General's intervention therein; (2) establishes requirements for the merger of a public benefit corporation with other corporate entities, absent court approval; (3) requires notice to the Attorney General of a public benefit corporation's intent to dissolve, and establishes requirements for and limitations on the transfer of assets by a public benefit corporation intending to dissolve; (4) defines the term "public benefit corporation"; (5) authorizes the Attorney General to bring an action challenging an act of a public benefit corporation or requesting the removal of a corporate director; (6) authorizes the Attorney General to approve a transaction in which a director has a conflict of interest; (7) absent a written waiver, requires a public benefit corporation to give the Attorney General 20 days written notice before selling, leasing, exchanging, or other otherwise disposing of all or substantially all of its property in a transaction not in the regular course of its activities; (8) authorizes a dissolved public benefit corporation to transfer its assets; (9) authorizes the judicial dissolution of a public benefit corporation whose assets are being misapplied or wasted, or that is no longer able to carry out its activities; and (10) establishes the jurisdiction of the First Circuit Court in nonprofit corporation dissolution proceedings.

**Residential Real Property; Disclosure of Waiver of Construction Defect. (SB2704, HD1, CD1)** Deems a release from or waiver of liability, or a release from a warranty by a seller to any government agency, contractor (as defined in the state contractors licensing law), licensed engineer, licensed architect, licensed land surveyor, or licensed landscape architect, for any defect, mistake, or omission in the design or construction of any residential real property that

measurably affects the property's value, to be a material fact that shall be included in the disclosure statement required to be provided by the seller to the buyer of the property.

## **OCCUPATIONAL LICENSING**

**Charitable Solicitations; Regulation. (SB2839, SD2, HD2, CD1)** Transfers jurisdiction over the regulation of charitable fundraising from the Department of Commerce and Consumer Affairs to the Department of the Attorney General (Attorney General). Requires a professional solicitor to file a financial report with the Attorney General 90 days after the completion of a fundraising campaign and one year after the commencement of a campaign lasting more than a year, and establishes requirements for the report's content. Requires a professional solicitor to maintain, during and for at least 3 years after the completion of a fundraising campaign, and to make available to the Attorney General upon request, records relating to contributions, contributors, employees and agents, revenues and expenses, financial institution accounts into which solicited funds have been deposited, and material changes in information. Requires charitable contributions to be deposited within 5 days of receipt in a bank or federally-insured financial institution account in the name of the charitable organization which shall have sole control of the account.

Authorizes the Attorney General to refuse, revoke, or suspend the registration of a charitable organization, professional fundraising counsel, or professional solicitor for violating a law, rule, or order, failing or refusing to produce records, or making a material false statement. Empowers the Attorney General to revoke a grant of exemption, issue a cease and desist order, impose an administrative fine, or place a registrant on probation, subject to an administrative appeal. Establishes the solicitation of funds for charitable purposes special fund.

Requires a written contract between a charitable organization and a professional fundraising counsel or professional solicitor, and the filing of the contract with the Attorney General at least 10 days prior to commencement of services thereunder. Establishes form and content requirements for the contract, including those relating to: (1) signatories; (2) statements pertaining to the fundraising campaign's charitable purpose, parties' contractual obligations, control over contributions, and control over a solicitation's content and volume; (3) guaranteed minimum percentages for the charitable organization; (4) professional solicitor and fundraising counsel compensation; and (5) contract commencement and termination dates. Requires a professional fundraising counsel or solicitor who contracts with a charitable organization to be registered with the Attorney General, and establishes rights and duties regarding the voiding and cancellation of a contract.

Defines "fundraising costs" to include the costs of salaries, rent, mailing lists, printing, mailing, solicitation, and unsolicited merchandise sent to encourage solicitations, but not the direct costs of merchandise sold, fundraising dinners, bazaars, shows, circuses, banquets, dinners, theater parties, or other benefit performances. Establishes recordkeeping requirements for a solicitation in which a professional solicitor sells tickets to an event and represents that the tickets will be donated for use by another. Establishes duties and rights regarding the filing of a registration statement by a professional fundraising counsel or solicitor. Takes effect on 7/1/05.

**Cosmetology License Restoration. (HB2423; Act 13)** Allows the Board of Barbering and Cosmetology to consider the restoration of a cosmetology license beyond the three-year restoration period, as prescribed by its administrative rules.

**Elevator Mechanics; Training Requirement. (HB2426; Act 31)** Aligns training requirement for elevator mechanic licensees with federal and state apprenticeship standards by increasing training requirement from two years to four years.

**Mental Health Counselors Licensure. (SB2595, SD2, HD2, CD1)** Establishes the regulation of mental health counselors by the Department of Commerce and Consumer Affairs (DCCA), effective 7/1/05. Defines relevant terms. Authorizes DCCA to permit the use of the title "licensed mental health counselor", adopt rules, administer the licensing laws, discipline a licensee, refuse licensure, and appoint an advisory committee. Authorizes the establishment of nonrefundable fees pursuant to rule. Prohibits the practice of mental health counseling or the use of the title "licensed mental health counselor" or "mental health counselor" without a license, and establishes a fine for violation of these prohibitions. Exempts from the licensure requirement persons whose professional duties overlap with mental health counseling, the clergy, graduate students, clinical interns, and government employees.

Establishes licensure qualifications, including: (1) a master's or doctoral degree from an accredited institution in counseling or an allied field that includes or is supplemented by graduate level work in specific course areas; (2) supervised practicum experience; (3) post-graduate direct counseling experience; and (4) passage of the National Counselor Examination for Licensure and Certification. Authorizes the licensure of a person who, in lieu of meeting the above requirements: (1) holds a current, unencumbered certification as a national certified counselor or national certified rehabilitation counselor, obtained prior to the licensing law's effective date; (2) has passed the National Counselor Examination of Licensure and Certification, National Clinical Mental Health Counselors Examination of the National Board for Certified Counselors, or the Commission on Rehabilitation Counselor Certification examination after 1/1/00 and before 7/1/05; and (3) applies and pays the licensing fees within one year of the licensing law's effective date.

Authorizes license reciprocity agreements with other states. Requires the annual administration of the National Counselor Examination for Licensure and Certification. Establishes a triennial licensing schedule, and license renewal and restoration requirements. Establishes grounds for disciplinary action against a licensee or license applicant. Protects patient communications from disclosure, except under specified circumstances. Prohibits a licensee from testifying in a divorce or alimony action regarding information obtained in the course of counseling, but not in a custody action. Repeals the licensing law on 12/31/08. Authorizes DCCA to hire staff for the licensing program. Authorizes the assessment of a \$75 fee against a licensee at the time of license issuance and renewal, and the quarterly transfer of amounts collected into the Compliance Resolution Fund, until the amounts equal the amount appropriated from the general fund to establish the licensing program. Appropriates \$61, 000 in general revenues for FY 04-05 to fund the licensing program.

**Mortgage Brokers and Solicitors; Insurance Producer Experience Equivalency. (HB1737, HD1; Act 14)** For purposes of mortgage broker and solicitor licensure, authorizes an experience equivalency for a licensed insurance producer, based upon the producer's experience in selling mortgage loans solely through a wholly owned insured depository institution that is a subsidiary of the insurance company with whom the producer has an exclusive agency relationship.

**Pharmacist Licensure; Continuing Education. (HB2140, HD1, SD1)** Establishes 30-credit hour continuing education (CE) requirement for the renewal of pharmacist licenses, beginning with the renewal for the licensing biennium commencing on 1/1/2008, but not for a licensee who graduates from an accredited pharmacy school within one year of the licensee's first renewal date. Defines "continuing education course" as a course approved by the American College of Pharmaceutical Education or a continuing medical education course that serves to improve patient safety and to maintain quality national standards in the prevention of medical errors. Defines "credit hour". Authorizes the Board of Pharmacy to extend the CE compliance deadline based on a certified illness, extended active duty military service, lack of access to courses due to geographic isolation, and inability to undertake coursework due to incapacity, undue hardship, or other extenuating circumstances. Requires licensees to maintain their own CE records and to certify under oath as to compliance with the CE requirement at the time of renewal. Authorizes the Board to require additional proof of compliance. Authorizes the Board to conduct random audits for compliance, subject to written notice, and requires audited licensees to respond with verification of CE compliance within 60 days thereof. Establishes the false certification of CE compliance as grounds for disciplinary action.

**Physicians; Disciplinary Action. (SB2905; Act 26)** Expands options available to Board of Medical Examiners when disciplining a physician or osteopathic physician for violation of licensing laws to include censure and reprimand.

**Plumber Licensing. (HB1824, SD1)** Replaces biennial licensing schedule with triennial schedule for plumber licensees, effective June 30, 2006. Beginning with the renewal for the licensing triennium commencing on July 1, 2009, requires that licensees: (1) submit proof of attendance at a course on Uniform Plumbing Code (UPC) updates conducted or approved by the community colleges; or (2) pass an exam on UPC updates. Authorizes the Board of Electricians and Plumbers to contract with a professional testing agency to administer the exam and requires licensees to pay fees directly to the testing agency.

**Private Detectives and Guards; Licensure. (HB2421, SD1)** Amends definitions of "detective agency", "private detective agency", and "guard agency" to mean licensed firms, and defines "firm" to include all legal business entities. Extends Board of Private Detectives and Guards' rulemaking authority to license denial, renewal, and reactivation. Repeals requirements for service of a notice of hearing and answering a notice in a license disciplinary proceeding and clarifies that the Administrative Procedures Act applies to disciplinary actions and appeals of license denial, in addition to license suspension and revocation proceedings.

Requires license applicants to have a history of honesty, truthfulness, financial integrity, and fair dealing. Requires firm license applicants to employ principals who are licensed individuals and to be bonded. Clarifies that criminal history checks are required of employees employed in an investigative capacity.

Requires the automatic forfeiture of a license upon the failure of a licensee to pay required fees in amounts as established by administrative rule, and to submit required documents by June 30 of each even-numbered year. Authorizes an inactive status for licenses, establishes requirements and conditions of an inactive license, including those relating to renewal, professional practice, and reactivation, and authorizes the Board to deny reactivation

pursuant to administrative rules. Provides that the dishonoring of a check upon first deposit constitutes a failure to meet the fee requirement.

**Professional and Vocational License; Abandoned Application. (HB2418; Act 11)** Deems an application for a professional or vocational license abandoned if an applicant fails to provide evidence of continued efforts to complete the licensing process for two consecutive years, including by failing, within this period, to submit requested documents and to provide written communication regarding the applicant's attempts to complete the process. Requires an applicant who is seeking licensure, but who has abandoned a prior application, to comply with the licensing requirements in effect at the time of reapplication.

**Radiologic Technology Licensure Administration; Penalties. (SB2951, SD1, HD1, CD1)** Clarifies that the Radiologic Technology Board (Board) may impose administrative remedies. Corrects the title of the administrative officer for the Board from "executive secretary" to "executive officer". Removes the executive officer from the supervision of the Board to maintain independence between the entities' prosecutorial and adjudicatory functions. Authorizes the imposition of a \$2,000 per offense maximum fine against persons who violate the radiologic technology licensing laws or rules. Requires the Board to report to the Legislature before the 2005 Regular Session regarding the implementation of the fine provision, the sufficiency of the fine, and the Board's efforts in adopting guidelines for the imposition of fines.

**Real Estate Licensing; License Recognition Agreements. (HB2417; Act 12)** Authorizes the Real Estate Commission to enter into a license recognition agreement with another state or jurisdiction whose real estate licensing program is recognized by the Association of Real Estate License Law Officials and is determined by the Commission to be equivalent to Hawaii's real estate licensing program.

## **PRESCRIPTION DRUGS**

**Hawaii Rx Plus. (SB3237, SD1, HD1; Act 47)** Renames program from "Rx" to "Rx plus". Declares that program goals are to enable State to make prescription drugs more affordable for qualified Hawaii residents, promote healthy communities, and protect the public health and welfare, and not to discourage or supplant employer-sponsored drug plans. Requires Department of Human Services (DHS) to establish an Rx plus preferred drug list based upon recommendations of the pharmacy and therapeutic committee. Establishes drug recommendation requirements and standards. Defines "preferred drug" as a drug listed on the State medicaid preferred drug list, or an antipsychotic, antidepressant, chemotherapy, antiretroviral, or immunosuppressive drug, or other drug listed on Rx plus preferred drug list.

Limits program participation to a "qualified resident", i.e. a Hawaii resident with a family income equal to or less than 350% of the federal poverty level, without drug coverage or who has exceeded the person's coverage, and who is enrolled in the program. Requires that the program be integrated into the statewide program for the uninsured, and use manufacturer rebates and pharmacy discounts to reduce prescription drug prices. Prohibits a third party contract administrator from receiving compensation or benefits from participating drug manufacturers. Requires DHS to conduct ongoing quality assurance activities similar to those used in medicaid program. Authorizes rebate agreements with drug labelers in addition to drug manufacturers. Requires the contract administrator to take into account medicaid rebates and average wholesale prices in negotiating rebates, and to use

its best efforts to obtain an initial rebate amount equal to or greater than the medicaid program rebate, and by 7/1/05, a rebate equal to or greater than the federal government discount.

Deems identities of labelers and participating, as well as nonparticipating manufacturers, public information, and requires DHS to release this information to health care providers and the public. Effective 7/1/04, requires a "participating pharmacy", i.e. a retail pharmacy or other business in the State licensed to prescribe drugs, to offer customers drugs at an "initial discounted price", or a price equal to that paid by DHS to medicaid participating pharmacies for medicaid members. Requires DHS to establish a drug's "secondary discounted price", i.e. the initial discounted price less further discounts paid out of the Rx plus special fund, and to promote the use of safe, efficacious, and cost-effective drugs. Effective 7/1/05, requires participating pharmacies to offer drugs at the secondary discounted price, if available. Prohibits DHS from assessing transaction fees against participating pharmacies. Expands use of the Rx plus special fund to cover costs of contracted services. Appropriates \$400,000 from the general fund to the Rx plus special fund, and from the special fund to DHS to administer the program.

**Prescription Drugs; Return-for-Credit and Reuse; Charitable Repositories. (HB2005, HD1, SD1, CD1)** Authorizes a process for the return-for-credit and reuse of prescription drugs in institutional facilities. Establishes criteria for drugs that may be returned and reused, procedures for credit and reimbursement, and recordkeeping and transaction certification requirements. Authorizes the Departments of Human Services and Health to adopt rules. Establishes immunity for drug manufacturers from liability for claims arising out of the return-for-credit and reuse of drugs process. Authorizes the donation of prescription drugs not appropriate for return-for-credit and reuse to charitable repositories for distribution to the needy, excluding donations from the public and establishing a priority for in-state repositories. Requires an institutional facility to maintain records of drugs donated to repositories. Conforms pharmacist licensing laws. Requires the Department of Health to report to the Legislature in 2006 on the repository program. Prohibits the implementation of return-for-credit and reuse procedures until the adoption of rules regarding crediting and handling fee processes, except for returns for full credit without handling fees. Sunsets on 7/1/10.

## **PUBLIC UTILITIES**

**Motor Carriers; Use of Unlicensed Commercial Driver. (SB3190, SD1, HD1)** Requires the Public Utilities Commission to revoke the certificate or permit of a motor carrier that knowingly and wilfully employs a driver who does not hold a commercial driver's license, prohibits reapplication for a new certificate or permit for five years thereafter, and authorizes enforcement of the licensing requirement by a motor safety officer employed by the Department of Transportation.

**One Call Center; Excavation; Notification. (HB2137, HD1, SD1, CD1)** Requires the Public Utilities Commission (PUC) to establish and administer by 1/1/06, a One Call Center to provide advance warning to excavators of the location of subsurface installations to avoid damage to those installations. Establishes an advisory committee consisting of representatives of the State and counties, and of the utility, pipeline, construction, and cable service industries. Requires the PUC to consider the availability of experienced entities to provide the One Call service and to award the task of administration of the center to the best qualified entity.

Requires subsurface facility operators to furnish information to the center on the location of their installations, except for confidential or proprietary information. Authorizes financing of center operations through the assessment of operator and excavator fees and the collection of civil penalties. Authorizes the PUC to credit amounts paid by a utility in PUC Special Fund assessments towards the utility's One Call Center fees.

Except in an emergency, and except for excavations on property owned exclusively by the excavator and under which no operator has been authorized to place subsurface installations, requires excavators to provide between 5 to 28 days notice to the center of excavation planned on public or private property, that includes a description of the excavation site. Requires the center to notify an affected operator and to maintain notification records for a minimum of 3 years. Requires the excavator to mark the proposed excavation site, the operator to identify and field mark the location of its subsurface installations within 5 days of notification, and the excavator to maintain the field markings, requesting remarking if necessary. Establishes excavation procedures that require the use of hand tools before the use of power tools. Requires excavators to obtain the necessary permits before commencing operations.

Authorizes the State, counties, excavators, and operators to bring enforcement proceedings before the PUC, and the PUC to impose a monetary fine or order a violator to participate in an educational program. Establishes administrative hearings requirements and procedures, and authorizes reconsideration, rehearing, and judicial appeal. Appropriates \$300,000 from the PUC Special Fund for the establishment and operation of a One Call Center. Provides for the Act's repeal on 6/30/09.

**Small Public Utilities; Rate Filing. (SB2909, SD1, HD1, CD1)** With respect to general rate increases requested by public utilities with annual gross revenues of less than \$2,000,000, requires: (1) the public utility to use a standard form application developed by the Public Utilities Commission (PUC); (2) the PUC to develop a form that describes the specific information that must be submitted to support a determination of the reasonableness of the proposed rate and that requires the submission of financial information in conformance with a standard chart of accounts and other Commission guidelines that facilitate expeditious review; and (3) the PUC to hold a public hearing on the proposed rate increase, to make every effort to issue a proposed decision and order within 6 months of the filing of a completed application, and to report to the Legislature within 30 days of rendering a delayed decision and order regarding the reasons therefor. Extends the six-month decisionmaking deadline to nine months if a party is permitted to intervene or does not accept the proposed decision and order. Requires a party that objects to the proposed decision and order to give timely notice of its objections to the PUC and entitles that party to a contested case hearing. Requires a public utility to follow the standard chart of accounts approved by the PUC for financial reporting purposes and to file a certified copy of the annual financial statement, in addition to an updated chart of accounts, used to maintain its financial records with the PUC and the Consumer Advocate within 90 days from the end of each calendar or fiscal year, as applicable, unless the PUC grants an extension. Requires the utility's owner, officer, general partner, or authorized agent to certify that the reports were prepared in accordance with the standard chart of accounts.

### III. Housing



**Condominium Property Regime; Recodification; Administrative Hearing Pilot Program. (SB2210, SD2, HD1, CD1)** Effective 7/1/05, repeals parts I, V, and VII of chapter 514A, Hawaii Revised Statutes (HRS), pertaining to condominium law general provisions and definitions, condominium management, and arbitration, enacts new provisions governing these areas, and makes conforming amendments throughout HRS. Reserves for future enactment provisions relating to the creation, alternation, termination, registration, and administration of condominiums, and the protection of condominium purchasers. Establishes a condominium dispute resolution pilot program, under which parties that have been unsuccessful in mediating condominium disputes may have the matter heard in an administrative hearing before the Department of Commerce and Consumer Affairs. Requires the Director of Commerce and Consumer Affairs to report to the Legislature before the 2005 and 2006 Regular Sessions regarding the operation and effect of the pilot program. Appropriates \$25,000 from the Condominium Management Education Fund (CMEF) for the pilot program. Appropriates \$150,000 from the CMEF for post-bill passage educational activities.

**Condominiums; Amateur Radio Antenna Installation. (HB2773, HD1, SD1, CD1)** Notwithstanding contrary provisions in the condominium law, a project declaration, or association bylaw: (1) authorizes the board of directors of a condominium association to allow owners to install amateur radio antennas in their apartments or within their limited common element without the consent of apartment owners for whom use of the limited common element is reserved; (2) provides that the installation shall not be deemed an alteration, impairment, or diminishment of the common element, or a structural alteration or addition that constitutes a material change from the project plans, provided that the installation does not directly affect any nonconsenting apartment owner; and (3) requires the board to provide written reasons for denying a request for installation.

**Condominiums; Telecommunications Equipment. (SB2009, SD1, HD1; Act 72)** With respect to the installation, change in the use, or abandonment of television signal distribution and telecommunications equipment in condominium projects, establishes exceptions to the requirements that: (1) alterations to an apartment's common interest be consented to by all affected apartment owners pursuant to an amended recorded declaration; and (2) changes to the use of common elements by an apartment association board, or the leasing or licensing of common elements by the board for a term exceeding five years, be approved by the owners of 75% of the common interest.

**Housing Loan Programs; Bond Authorization Increased. (SB2926, SD1, HD2, CD1)** Authorizes an increase in the revenue bond ceiling from \$200 million to \$300 million to fund housing loan programs administered by the Housing and Community Development Corporation of Hawaii.

**Planned Communities; Amateur Radio Antenna Installation. (HB2774, HD1, SD1, CD1)** Notwithstanding contrary provisions in the planned community association law or a planned community association's documents: (1) authorizes the board of directors of a planned community association to allow owners to install amateur radio antennas in their units located in agricultural districts, as defined in the land use laws, provided that antennas installed upon any common area comply with association documents; and (2) requires the board to provide written reasons for denying a request for installation. Allows the board to delegate its approval authority to a design review committee. Clarifies that the law governing amateur radio antennas does not prohibit the association from allowing other antennas permitted by association documents.

## IV. Insurance

**Alien Insurers; State of Entry. (SB2882, SD1, HD1)** Authorizes an alien insurer to use Hawaii as a state of entry to transact insurance in the United States through a United States branch by: (1) qualifying as a Hawaii-licensed insurer; and (2) establishing a trust account pursuant to a trust agreement with a U.S. financial institution approved by the Insurance Commissioner (Commissioner), in an amount at least equal to the minimum capital and surplus or authorized control level risk-based capital amounts, whichever is greater, required to be maintained by a domestic insurer licensed to transact in the same type of insurance. Additionally requires an alien insurer to apply for a certificate of authority with documents translated into English, and to submit to an examination of its affairs at its principal U.S. office. Requires certain amounts to be maintained in the trust account at all times. Requires the terms of the trust agreement to be set forth in a deed of trust, and establishes requirements relating to approval of the deed of trust and modifications thereto, and deed provisions.

Requires alien insurers to comply with filing requirements imposed on domestic insurers, including the filing of annual and quarterly statements of business transacted in the U.S., assets, and liabilities, and a statement of trusteed surplus. Authorizes the Commissioner to impose additional requirements upon alien insurers to ensure that the insurer does not engage in insurance business in contravention of state law or the insurer's charter. Requires the renewal of a license of an alien insurer that is in compliance with the insurance code and whose continued operations will not be hazardous or prejudicial to the State's best interests. Clarifies limitations upon the transaction of insurance business in the State by alien insurers. Authorizes the Commissioner to proceed against an undercapitalized alien insurer under the Commissioner's powers of supervision, rehabilitation, and liquidation.

**Association Health Plans; Bona Fide Trade Associations. (HB2408, HD2, SD1)** At the option of a bona fide trade association, requires a health insurer to treat the association and its members as a group for purposes of providing health insurance, provided that: (1) the bona fide trade association has been formed for purposes other than for obtaining insurance; (2) the insurer does not restrict the number or types of health plans that the association may offer to its members, including but not limited to restrictions that reduce competition between insurers or require an association to allow the insurer to match another insurer's price or terms; and (3) all members of the association are not required to participate in the group plan.

Defines "bona fide trade association" as an association of persons organized to promote common interests, and comprised of persons engaged in a business, trade, or profession that: (1) has been actively in existence for 5 years; (2) has been formed and maintained for purposes other than for obtaining insurance; (3) does not condition membership on health status related factors; (4) makes health insurance coverage available to all members, regardless of health status related factors; (5) does not make health insurance coverage available other than in connection with an association member; and (6) meets other state law requirements. Sunsets on 12/31/06.

**Insurance; Annuities; Minimum Nonforfeiture Amount. (HB2139, HD1; Act 15)** Extends for an additional two years, or until 6/30/06, the 1.5% interest rate used to determine the cash value of individual fixed annuity contracts. For annuity contracts issued beginning 7/1/06:

- (1) Requires that annuity contracts contain provisions disclosing that an insurer may (a) grant a paid-up annuity benefit upon the written request of a contract owner, and (b) reserve the right to defer payment of the cash surrender benefit for a period not exceeding six months after the demand therefor, after making a written request that addresses the necessity and equitability of the deferral for all policyholders and receiving the Insurance Commissioner's written approval;
- (2) Adopts an indexed interest rate formula for the determination of minimum nonforfeiture amounts based on the Federal Reserve's Five Year Constant Maturity Treasury rate, and subject to a 1% minimum and 3% maximum, and authorizes adjustments to the formula subject to certain criteria and the approval of the commissioner; and
- (3) Requires that the indexed interest rate apply for an initial period, subject to redetermination for additional periods, as provided for in the contract.

Allows an insurer, at the insurer's election, to utilize an indexed interest rate for contracts issued between 7/1/04 and 6/30/06.

**Insurance; Housekeeping Amendments; Mandated Coverages Exemption for Self-Employed. (HB2411, HD1, SD1, CD1)** Exempts accident and sickness policies issued to self-employed persons under article 10A of the insurance code from mandated coverages requirements. Conforms insurance laws to the Producer Licensing Model Act and the Gramm-Leach-Bliley Act, and effects other changes to make the insurance laws more efficient and comprehensible, less burdensome, and technically correct.

**Insurance Liability Disputes; Arbitration; Attorney's Fees and Costs. (HB2786, HD1, SD2, CD1)** Requires an award of reasonable attorney's fees and costs to a policyholder or beneficiary who successfully establishes an insurer's liability under an insurance policy in arbitration.

**Interstate Insurance Compact; Adopted. (SB2887, SD2, HD2, CD1)** Adopts the National Association of Insurance Commissioner's Interstate Insurance Product Regulation Compact (Compact) to establish uniform standards for and serve as a clearinghouse for the review of individual and group annuity, life insurance, long-term care, and disability income insurance products, and related advertisements. Provides that each compacting state shall be represented by a single member, and establishes requirements regarding removal, suspension, or replacement of a member, approval of Commission action, and bylaws. Requires the establishment of a management committee and establishes the committee's makeup, powers, and duties. Requires the establishment of a legislative committee comprised of state legislators to monitor the Commission, an advisory committee comprised of consumer representatives, and an advisory committee comprised of insurance industry representatives.

Requires the Commission to adopt rules and operating procedures binding on the compacting states, including those that establish uniform standards for insurance products and related advertisements, permit public inspection and copying of records and information, and provide for dispute resolution among compacting states. Authorizes compacting states to opt out of the use of uniform standards by legislation or rule. Establishes standards that the Insurance Commission must consider in determining whether to opt out of a uniform standard. Authorizes the Compact to review products and rate filings

for adherence to uniform standards, and permits an insurer or third party filer to appeal the Commission's decision to a review panel. Requires the Commission to enforce the Compact's rules and bylaws, and clarifies the scope of a state insurance commissioner's authority to oversee the market regulation of products covered under the Compact. Requires the Commission to collect filing fees to cover its operational costs and exempts the Commission from state taxes.

Provides that the Compact is effective upon adoption by two compacting states, and that the Commission is effective upon the adoption of the Compact by 26 states, or by states representing more than 40% of the premium volume for life insurance, annuity, disability income, and long-term care insurance products. Authorizes amendments to and withdrawal from the Compact. Authorizes the suspension of rights, privileges, and benefits under the Compact for a compacting state found to be in default of its obligations, and requires notice of the default and an opportunity to cure. Deems the Compact dissolved upon the date of withdrawal or default of the compacting state that reduces membership in the Compact to one compacting state. Effective 1/1/05.

**Loss Mitigation Grants; Reimbursement; Appropriation; Report (SB2528, SD1, HD1, CD1)**

Reduces reimbursement to homeowners for costs of wind-resistive devices and their installation from 50% to 35%. Repeals authorization for reimbursement of inspection costs. Appropriates \$300,000 to the Department of Commerce and Consumer Affairs (DCCA), for fiscal year 2004-2005, for the loss mitigation grant program. Requires DCCA to submit a report to the Legislature before the 2005 Regular Session that: (1) outlines a plan to mitigate the future impact of a tropical storm or hurricane on the public safety, insurance market, and economy; (2) addresses how the Hawaii Hurricane Relief Fund will be used to mitigate future damage from tropical storms and hurricanes; and (3) lists each insurer that offers wind damage coverage and its approach on hazard mitigation.

**Military Member-Owned Reciprocal Insurer; Claims Service. (HB1819; Act 36)** Exempts from the requirement imposed upon motor vehicle insurers to maintain a complete sales and claims service office in the State, a member-owned reciprocal insurer and its wholly owned insurer subsidiaries primarily organized to serve its members, of which the majority are members or veterans of the United States armed forces, their current or former spouses, or their dependents. Requires, instead, that such insurers make satisfactory arrangements for claims service and adjustment and for policy service, and upon the request of the Insurance Commissioner, provide written information regarding these arrangements.

**Motor Vehicle Insurance; Cancellation; Notice. (HB1820, HD1, SD1, CD1)** Authorizes the cancellation of a motor vehicle insurance policy by an insurer within sixty days of the policy's effective date provided that the cancellation is not based solely upon the insured person's race, creed, ethnic extraction, age, sex, length of driving experience, marital status, residence, physical handicap, or the insured's election to obtain any required or optional coverage or deductible required by law. Reduces from thirty to twenty days the amount of notice an insurer is required to provide an insured prior to canceling the policy for nonpayment of premiums, and requires the insurer to maintain the insured's coverage for twenty days following the mailing.

## **Resolutions Adopted**

**Affordable Rental Housing; Private Development Financing Assistance. (HCR123, HD1)**

Requests the Housing and Community Development Corporation of Hawaii (HCDCH) to make financing tools available to assist private developers in purchasing affordable housing rental properties contemplated for sale by the City and County of Honolulu. Encourages the HCDCH to give nonprofit, low-income housing developers priority for financial assistance over for-profit developers.

**Home Ownership; Hauiki Homes Demonstration Project. (HCR214)** Requests the Housing and Community Development Corporation of Hawaii to explore home ownership options and study the feasibility of implementing a housing demonstration project at Hauiki Homes and other state-owned and operated housing projects. Requests a report to the Legislature before the 2005 Regular Session.

**Importation of Prescription Drugs. (SCR27)** Urges Hawaii's congressional delegation to support federal legislation that would enable consumers to purchase lower-priced imported prescription drugs.

**Internet; Unsolicited Pornographic Advertisements; Investigation Urged. (SR17)** Urges the Federal Trade Commission to investigate and take action against the use of unsolicited pornographic pop-up advertisements on the Internet.

**Prescription Drugs; Importation from Canada. (SR63)** Urges Congress and the President of the United States to pass legislation to allow prescription drugs to be imported from Canada.

**Prescription Drugs; Price Negotiations. (SCR56; SR24)** Urges the President of the United States and Congress to repeal the prohibition on prescription drug price negotiations between the federal government and drug manufacturers.

**Regulation of Money Transmitters; Sunrise Review. (HCR90, HD1)** Requests the Auditor to conduct a sunrise review of the regulation of money transmitters as proposed in House Bill No. 2428 (2004), that: (1) addresses the impact of regulation of the money transmitting industry, persons sending and receiving funds, and the criminal justice system; (2) assesses the Uniform Money Services Act and the effect of its adoption in Hawaii, and H.B. No. 2428 (2004) and the effect of its adoption in Hawaii; and (3) reviews and discusses federal money transmitter laws and the issue of federal preemption. Requests a report to the Legislature before the 2005 Regular Session.



# ECONOMIC DEVELOPMENT

---

*The Committee on Economic Development has jurisdiction over programs relating to economic development, and other new industry development; financial and technical assistance to business; and recreation, sports and athletics, state parks and beaches, ocean recreation, and Aloha Stadium.*

## Bills Passed

### I. Business and Technology

**Hawaii 3Ts School Technology Laboratories Fund; Project EAST initiative. (HB2840, HD1, SD3, CD1)** Establishes the Hawaii 3Ts school technology laboratories fund (fund), modeled after the Hawaii 3Rs school repair and maintenance fund, to support the expansion and continuation of the Project EAST (environmental and spatial technology) initiative in Hawaii's public schools. Clarifies that the Hawaii fund is not placed in the State treasury and that the State is not responsible for the administration, operation, or solvency of this fund. Requires an annual audit of the fund with the findings of the audit to be submitted to the Department of Business, Economic Development, and Tourism for review.

Designates the Economic Development Alliance of Hawaii, Inc. (EDAH), a Hawaii nonprofit organization, as the administrator of the fund. Authorizes EDAH to administer and expend moneys in the fund in the form of grants or contracts to various private and public organizations for the establishment and maintenance of technology laboratories in Hawaii's public schools. Defines a "school technology laboratory" as a multi-station computer laboratory that offers students a variety of different types of hardware and software applications. Establishes eligibility criteria for private and public organizations submitting proposals to EDAH for grant or contract moneys from the fund. Requires the EDAH to submit annual reports to DBEDT for review.

Establishes the Hawaii 3Ts School Technology Laboratories Board to review grant proposals, determine the criteria under which proposals will be eligible to receive funding, and make recommendations to EDAH. Establishes the requirements for membership on the Board.

**Light Pollution; Special Management Area. (HB1743, HD2, SD2)** Prohibits, within a special management area, artificial light that is positioned toward or directly illuminates the ocean, unless this light is required for public safety or safe ocean navigation. Exempts outdoor lighting fixtures that are located in a hotel or hotel-condominium if these fixtures are located under water or are positioned downward and only illuminate an area of no more than 30 feet into the ocean.

**Niihau Shell Products. (HB2569, HD1, SD1)** Establishes requirements for the marketing of jewelry or shell products that incorporate the term "Niihau" in the labeling, description, or identification of these products. Establishes that the term "Niihau" applies to a product in which 100% of the shells in the product or jewelry item are harvested from Niihau, its waters or beaches, and the product is manufactured, processed, or fabricated entirely in Hawaii. Clarifies that the term "Niihau" may also be used to describe the percentage of Niihau seashells in a product that consists of at least 80% of Niihau seashells and is manufactured, processed, or fabricated in Hawaii.

**Petroleum Products; Ethanol Content. (SB3170, SD2, HD2, CD1)** Establishes new requirements for the blending of ethanol and gasoline. Requires that by 1/1/06, not less than 85% of all gasoline sold for use in motor vehicles contains 10% ethanol by volume. Defines "ten percent ethanol by volume". Within 90 calendar days following the close of each calendar year, requires each distributor to report to the Director of Business, Economic Development, and Tourism both the amounts of ethanol-blended gasoline and non-ethanol-blended gasoline sold to fleets or gasoline retailers for the previous calendar year.

## **II. Planning and Management**

**Financial Literacy for Youth Month. (HB1898, HD1; Act 37)** Designates April as "Financial Literacy for Youth Month" in order to raise public awareness regarding the importance of developing strong personal financial management skills in Hawaii's youth.

**State Planning; Functional Plans. (SB2077, SD2, HD1, CD1)** Requires state agencies to prepare and update their respective functional plans at 10-year intervals, commencing 6/30/06. Establishes that legislative approval in the form of a concurrent resolution is required for the approval of any new functional plan or update. Requires the consideration and incorporation, if practicable, of previous findings and recommendations by a state agency contained in planning documents within five years of an update.

## **III. Sports and Recreation**

**Brewpubs; Off-Premises Consumption. (SB2606, SD1, HD2, CD1)** Authorizes licensed brewpubs to sell malt beverages manufactured on its premises directly to consumers for off-premises consumption. Requires that malt beverages sold by a licensed brewpub for off-premises consumption be contained in brewery sealed kegs, growlers, or a glass container provided by the consumer or brewpub that does not exceed one gallon in size and is securely sealed. Requires brewpubs to comply with regulations pertaining to class 4 retail licensees. Permits licensed brewpubs to sell malt beverages in brewery sealed containers to licensed wholesale and retail dealers, dispensers, club vessels, transient vessels, tour or cruise vessels, cabarets, hotels, and caterers for off-premises consumption.

**State Boxing Commission of Hawaii. (HB2223, SD1)** Amends the laws relating to State Boxing Commission of Hawaii (Commission) to conform to the federally enacted Professional Boxing Safety Act of 1996. Replaces the position of Secretary of the Commission with an executive officer. Defines new positions in the Commission, including manager, executive officer, and director. Broadens the definition of a boxing club. Establishes new criteria for membership on the Commission. Modifies the appointment procedures for deputy commissioners. Clarifies and expands the duties and powers of the Commission, including new procedures relating to the review, revocation, and enforcement of suspensions. Denies a promoter's license to convicted gamblers. Establishes new requirements to hold a boxing contest, including providing proof of medical insurance on the part of a promoter, providing evidence of a bond by a promoter, and submitting for approval by the Commission various boxing related documents prior to the commencement of a boxing contest. Modifies the license renewal process for participants in a boxing contest. Establishes that the Commission shall appoint, instead of employ, inspectors, or official representatives, who shall be present



at each boxing contest to ensure compliance with Commission rules. Increases the required number of physicians to hold a boxing contest and requires at least one physician to examine a contestant who was knocked down or sustained a severe beating to the head and file a report within 24 hours to the executive officer of the Commission. Clarifies the individuals who are not eligible for renewal of a license if involved in a sham boxing contest. Reduces the number of rounds in a boxing contest from 15 to 12 rounds. Clarifies the individuals and transactions that fall under the prohibition against obtaining financial interests in a boxing contest. Increases the amount of the fine for each violation of the Commission's laws. Removes a provision requiring that all buildings housing a boxing contest conform to applicable building code laws, ordinances, or regulations.

## **Resolutions Adopted**

**Cooperative Ventures; Promotion of Hawaii and its Products on the U.S. Mainland. (SCR68, SD1)** Requests the Department of Business, Economic Development, and Tourism (DBEDT), with the assistance of the Hawaii Tourism Authority, the Hawaii Visitors and Convention Bureau, and the University of Hawaii, to study the feasibility of establishing cooperative ventures with U.S. mainland-based organizations to promote Hawaii and its products. Requests reports by DBEDT to the Legislature before the 2005 Session.

**Digital Media Industry; Hawaii Film and Television Development Board. (SR57, SD1)** Requests the Hawaii Film and Television Development Board to formulate a strategy designed to attract digital media productions and investment to Hawaii as well as nurture and support a strong and diverse digital industry in Hawaii. Identifies Hawaii's potential strengths in the field of digital media which includes a talented and educated workforce, the University of Hawaii's Academy for Creative Media, and Hawaii's close proximity and relationships with countries throughout Asia and the Pacific Rim.

**International Animation Film Festival. (SR13, SD1)** Requests the Department of Business, Economic Development, and Tourism to convene a meeting with representatives from the State Film Office, the Hawaii Tourism Authority, the University of Hawaii, and representatives from the Hawaii International Film Festival, the Maui Film Festival, Cinema Paradise, and the Hawaii Student Film Festival for the purpose of discussing the establishment of an international animation film festival in Hawaii.

**Korea Visa Processing Capacity Expansion; Visa Program Waivers; Congressional Support. (HCR202)** Urges Hawaii's congressional delegation to introduce federal legislation to provide additional resources to expand visa processing capacity in the Consular Section of the United States Embassy in Seoul, Republic of Korea, and to include the Republic of Korea in the Visa Waiver Program.

**Marshall Islands Nuclear Claims Tribunal; Congressional Support for Compensation Awards. (SCR101, SD1, HD1)** Requests congressional action in funding compensation awards, as determined by the Nuclear Claims Tribunal of the Marshall Islands, including property damage claims and the costs of cleaning up nuclear sites. Requests the Governor to declare March 1 as a Day of Remembrance for the survivors of the United States nuclear tests in the Marshall Islands. Expresses the Legislature's deep regret for the nuclear testing legacy.

**Spirit of Hawaii; Goodwill and Friendship Mission to North Korea. (SCR30, HD1; SR18)**

Expresses the support of the Legislature for the goodwill and friendship mission of the boat, Spirit of Hawaii, as well as the efforts of its crew, Jae Kwon Lee and Jonathan Cowles, as the Spirit of Hawaii travels up the Korean Peninsula.

**Workforce Development; Identification of Industry Clusters; Development of Labor Supply-Demand Matrices; Expansion of Educational Opportunities. (SR31)**

Requests the Department of Business, Economic Development, and Tourism and the Workforce Development Council to update the Legislature on the progress of a report that identifies promising industry clusters, develops important labor supply-demand matrices, and discusses the expansion of educational opportunities. Requires report to be submitted to the Legislature before the 2005 session.

# EDUCATION

---

*The Committee on Education has jurisdiction over programs relating to early education, public schools, continuing education, the public libraries, the University of Hawaii, and community college system.*

## Bills Passed

### I. Department of Education

#### CHARTER SCHOOLS

**Charter Schools; Audits; Laws. (HB2911, HD2, SD1, CD1)** Requires that new century charter schools to be subject to state land use laws and county laws, codes, and rules governing land use and public health and safety. Subjects new century charter schools to audit and inspection by the charter school administrative office.

**Charter Schools; Funding. (SB2425, SD1, HD1, CD1)** Authorizes the Legislature to make an adjustment to the per pupil allocation and to make appropriations based on fringe and other employee benefits and facility costs for new century charter schools. Increases the amount of initial funds given to a new century charter school from 40% to 50% of a new century charter school's per pupil allocation based on the school's projected student enrollment. Changes the date for the initial payment from August 1 to July 20 and for the second payment from October 15 to November 15. Requires new century charter schools to submit an accounting of the percentage of student enrollment who transferred from public schools established and maintained by the Department of Education and that these accountings be submitted by the Charter School Administrative Office annually to the Legislature. Requires an annual report to the Legislature. Appropriates \$2,472,714 for fiscal year 2004-2005 to make up for the shortfall in the state budget request for new century charter schools.

**Host Culture Charter School District; Charter School District; Study. (SB3148, SD2, HD3, CD1)** Requires the Legislative Reference Bureau to conduct a feasibility study regarding the establishment of a noncontiguous host culture charter school district and a noncontiguous charter school district in the State. Requires the study to include an analysis of the financial and administrative implications of creating these additional school districts and establishing local educational agency status for the purpose of obtaining additional federal funding; how the new districts would interact administratively with the Board of Education and the existing charter school administrative structure in the Department of Education; and whether the districts would violate the 14th amendment to the U.S. Constitution. Requires the bureau to review and consider the proposals in specified drafts. Requires report to the Legislature before the 2005 Regular Session.

#### DOE; PROGRAMS

**Department of Education; Hawaiian Language Medium Education. (HB2667, HD2, SD1, CD1)** Authorizes the establishment of the Hawaiian language medium education program (program)

as a complete educational program or schooling experience provided to students in the medium of the Hawaiian language. Provides that families of fluent Hawaiian speaking persons choosing to enroll in the program may be given preference for admittance. Authorizes the Department of Education (DOE) to create a separate office of Hawaiian language medium education for the direction and control of the program. Provides that when 15 or more qualified children in any departmental school district wish to enroll in the program, the Superintendent of Education may provide facilities for the program or provide transportation to the nearest schooling site providing the program. Authorizes DOE to establish a Hawaiian language medium state education agency with the capability of operating districts and complex areas on an equal basis with any other districts and complex areas of the department. Requires DOE to work collaboratively with the Hawaiian language college of the University of Hawaii at Hilo and other entities to address Hawaiian language medium education. Authorizes teachers in the Hawaiian language whose responsibilities are greater or unique and require additional language skills to be provided additional benefits.

**Department of Education; University of Hawaii; Running Start Program. (SB2200, HD1, CD1)**

Amends provisions relating to the running start program that permits eligible high school students to enroll in courses offered by the University of Hawaii system by repealing administrative rulemaking requirements.

## **EDUCATIONAL REFORM**

**Reinventing Education Act of 2004; Department of Education; Board of Education. (SB3238, SD2, HD2, CD1; vetoed 4/29/04; veto overridden 5/3/04; Act 51)** Implements the weighted student formula to provide funding to public schools beginning with the 2006-2007 school year based upon the needs of each student, excluding new century charter schools and new century conversion charter schools. Establishes a committee on weights within the DOE to help determine the formula and appropriates \$10,000 to support the committee. Requires the Department of Education (DOE) to provide supplementary allocations to schools whose budgets are adversely affected by the weighted student formula for no more than three years beginning with the 2006-2007 school year.

Appropriates \$2,000,000 to the DOE for information technology, including positions to provide technical support to school level information systems, infrastructure to meet security and privacy requirements of the telecommunications network, customization of student information system software, and training.

Requires the DOE to propose salary schedules and other terms and conditions of employment of principals and vice principals based upon a 12-month term of service, and report findings back to the Legislature. Requires the Board of Education (BOE) to adopt two separate classification/compensation plans for educational officers, one for principals and vice principals and one for all other educational officers. Convenes a working group to plan for the implementation of performance contracts for principals. Establishes a Hawaii Principals Academy to support and train complex area superintendents, principals, and prospective principals, and appropriates \$500,000 to operate the academy. Appropriates \$183,780 to the DOE's administrator certification for excellence (ACE) program. Appropriates \$400,000 to compensate principals recalled to work outside of their regular term of service.

Establishes school community councils in public schools beginning with the 2005-2006 school year to provide enhanced involvement by stakeholders in their community's schools,

excluding new century charter schools and new century conversion charter schools. Appropriates \$350,000 to transition from the current school/community-based management system to school community councils. Appropriates \$1,743,900 for parent-community networking centers.

Appropriates \$2,500,000 for mathematics textbooks and other mathematics learning materials in schools, provided that mathematics curriculum is aligned within the school complex. Appropriates \$2,143,350 to reduce class size in kindergarten, grade one, and grade two by hiring 75 teachers. Appropriates \$460,000 for full-time, year-round, high school student activity coordinators. Appropriates \$100,000 for programs that support parents in working with students who need additional help to succeed in school.

Establishes a national board certification incentive program to be administered by the Hawaii Teacher Standards Board (HTSB). Appropriates \$480,000 for salary differentials. Appropriates \$92,000 for the administration of the HTSB for national board certification. Appropriates \$500,000 to fund seven teacher education positions and one education administration faculty position at the College of Education of the University of Hawaii.

Transfers certain key functions from various state agencies to the DOE. Requires the DOE to convene an interagency working group to address systemic impediments to the efficient management and operation of schools. Requires the BOE to adopt a single school calendar for all public schools beginning with the 2006-2007 school year, except multi-track schools, new century charter schools and new century conversion charter schools.

Requires the DOE to track and assess academic achievement, safety and well being, and civic responsibility of individual students. Expands the accountability system to include fiscal accountability, complex area superintendents, and principals. Requires clear, easily understandable report cards with trend data on key performance indicators for schools, school complexes, and the public school system. Requires the BOE to hold not less than two community meetings in each school district annually.

Requires the Legislative Reference Bureau to conduct a study to determine whether any conforming amendments to the Hawaii Revised Statutes are necessary as a result of the amended definition of "public school" in the Act, and to report to the Legislature, along with proposed legislation, before the 2005 Regular Session.

Requires the DOE to submit findings and recommendations to the Legislature relating to the implementation of this Act.

**Reinventing Education Act of 2004 Amendments; After-School Plus Program Revolving Fund. (HB2002, HD2, SD1, CD2)** Creates the after-school plus program revolving fund, to consist of program fees, legislative appropriations, interest, and moneys from other sources, to pay for the costs of administering and operating the after-school plus program.

Amends the Reinventing Education Act of 2004 (SB3238, SD2, HD2, CD1; Act 51) as follows: Allows charter schools to opt in or out of the weighted student formula as a group for each fiscal biennium. Establishes performance criteria which shall be used in individual performance contracts for principals. Gives the principal the authority to develop and present academic and financial plans to the school community council for its review and approval (instead of collaborating with the council to do so) and removes language that restricted the principal from setting aside decisions of the council. Requires the school

community council to review and evaluate the school's academic plan and financial plan, and either recommend revisions of the plans to the principal or recommend the plans for approval by the complex area superintendent. Allows complex area superintendents additional authority to require the revision of such plans if it is in the best interest of the school. Requires the school community councils to be piloted at one school in each complex area (15 minimum schools) and begin no later than 1/1/05. Requires the Department of Education to determine the feasibility of increasing the 70% of funding to be expended by school principals to 80% and subsequently 90%, and to report to the Legislature before the 2005 Regular Session.

## **PUBLIC SCHOOL FACILITIES**

**Department of Education; School Repair and Maintenance; Hawaii 3R's. (HB1929, HD1, SD2, CD1)** Amends provisions relating to the income tax credit for school repair and maintenance by replacing references to the Department of Accounting and General Services (DAGS) with the Department of Education (DOE) for record maintenance, verification, certification, and filing purposes. Amends provisions relating to Hawaii 3R's school repair and maintenance project by replacing DAGS and the Comptroller with DOE and the Superintendent of Education. Establishes a coordinator position within DOE to coordinate the public and private efforts to repair and maintain public schools. Requires the coordinator to serve at the pleasure of the superintendent and be exempt from civil service laws.

## **SCHOOL PERSONNEL**

**Department of Education; Retired Teachers; Coursework Waiver to Serve as Substitute Teachers. (HB2645, HD2, SD2)** Exempts retired Department of Education teachers who held a valid teaching certificate or license at the date of retirement from any prerequisite coursework that the department requires of other substitute teachers for a period of 10 years after the date of their retirement.

**Multi-Track Schooling; Kapolei Elementary and Middle School. (SB3020, HD1, CD1)** Appropriates \$175,000 for fiscal year 2004-2005 to the Department of Education for the conversion of a counselor position (1.00 FTE) to a 12-month term of service at Kapolei Elementary School and the conversion of eight teacher positions (8.00 FTE) to 12 month terms of service at Kapolei Middle School.

## **SPRBs; PRIVATE SCHOOLS**

**Damien Memorial High School; SPRBs. (SB2671, SD1, HD1, CD1)** Authorizes the issuance of special purpose revenue bonds not to exceed \$10 million to assist Damien Memorial High School to finance or refinance the planning, acquisition, construction, or improvement of its educational facilities.

**Haleakala Waldorf School; SPRBs. (SB2790, SD1, HD1, CD1)** Authorizes the issuance of special purpose revenue bonds not to exceed \$9.45 million to assist Haleakala Waldorf School to finance or refinance the planning, acquisition, construction, or improvement of its educational facilities.

**Iolani School; SPRBs. (SB2538, SD1, HD1, CD1)** Authorizes the issuance of special purpose revenue bonds not to exceed \$30 million to assist Iolani School, to finance and refinance the planning, construction, and improvements of its educational facilities.

**Island Pacific Academy; SPRBs. (SB3086, HD1, CD1)** Authorizes the issuance of special purpose revenue bonds not to exceed \$20 million to assist Island Pacific Academy to finance or refinance the planning and construction of its educational facilities.

**Montessori School of Maui; SPRBs. (SB2791, SD1, HD1, CD1)** Authorizes the issuance of special purpose revenue bonds not to exceed \$10 million to assist Montessori School of Maui to finance and refinance the planning, acquisition, construction, or improvement of its educational facilities.

## **STUDENTS**

**Department of Education; Textbook and Instructional Materials Fee Special Account. (SB2063, SD2, HD2, CD1)** Establishes the textbook and instructional materials fee special account within the Department of Education to receive fees and charges collected from students or the student's parents or guardians to purchase, replace, or repair school textbooks, instructional materials, library books, equipment, or supplies. Defines school textbooks, instructional materials, library books, equipment, or supplies to include any book, printed matter, or other material used in a particular course of study. Establishes procedures for restitution. Requires schools to make available a copy of the current list of textbooks and instructional materials upon request.

**Two Tier Junior Kindergarten and Kindergarten Program; Entrance Age. (SB17, SD1, HD1, CD2)** Requires the Department of Education (DOE) to establish a two tier junior kindergarten and kindergarten program. Authorizes schools to move students between junior kindergarten and kindergarten as deemed appropriate. Allows junior kindergarten students to graduate directly to the first grade. Provides that beginning with the 2006-2007 school year, a child who will be at least five years of age on or before August 1 of the school year may attend kindergarten, and a child who will be at least five years of age after August 1 and before January 1 of the school year may attend junior kindergarten. Requires DOE to develop a plan to assist schools for the development of the two tier junior kindergarten and kindergarten program. Requires reports to the Legislature regarding implementation of the program prior to the 2005, 2006, and 2007 Regular Sessions. Requires DOE to develop assessments to aid in the placement of students in the appropriate classroom. Appropriates \$100,000 for fiscal year 2004-2005 for planning, piloting, curriculum development, and other aspects of the program.

## **OTHER ISSUES**

**Auditor; Access to Student Health and Education Records. (SB2056, SD1, HD2, CD1)** Designates the Auditor as an authorized representative of the Department of Education and Department of Health, a state educational authority, or a state educational official. Grants the Auditor access to any student or other record that may be necessary in connection with any audit or evaluation of any federal or state-supported educational program or the enforcement of the federal or state legal requirements which relate to the

education program, provided that parents shall be notified in writing in advance of such access. Requires any data collected by the Auditor to be protected in a manner that will not permit the personal identification of students and their parents by anyone other than the Auditor, the Auditor's staff, or agents of the Office of the Auditor, and that personally identifiable data shall be destroyed when no longer needed for audit, evaluation, or enforcement of federal or state legal requirements.

**Hawaii Commission for National and Community Service. (HB2286, HD1, SD1)** Appropriates \$142,000 for fiscal year 2004-2005 to the University of Hawaii for state matching funds for the administration of the Hawaii Commission for National and Community Service.

**Higher Education Statutory Analysis Interim Study Group. (SB2716, SD1, HD2, CD1)** Establishes the higher education statutory analysis interim study group to be co-chaired by the chairs of the House Committee on Higher Education and the Senate Committee on Education. Requires the study group to examine statutes relating to higher education and the University of Hawaii and make recommendations to improve the organizational framework for relevant statutes, update and clarify statutory provisions, and provide consistency and clarity for draft statutory provisions. Requires the Legislative Reference Bureau to provide technical assistance to the study group. Requests report to the Legislature before the 2005 Regular Session.

**Interstate Agreement on Qualification of Educational Personnel. (HB1926; Act 21)** Makes technical conforming amendments relating to the interstate agreement on qualification of educational personnel.

## **II. University of Hawaii**

**GEAR UP Hawaii Scholarship Trust Fund. (HB1893, HD2, SD1)** Authorizes the University of Hawaii to establish a charitable trust known as the GEAR UP Hawaii scholarship trust fund and to appoint one or more trustees. Provides that the purpose of the trust is to establish and maintain a financial assistance program to award scholarships to eligible students in accordance with funds received from the U.S. Department of Education under the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP). Requires the University to transfer to the trust all moneys received under GEAR UP.

**University of Hawaii Foundation; Reports. (HB2547, HD2, SD2, CD1)** Amends provisions relating to the University of Hawaii (UH) tuition and fees special fund to require more detailed disclosure of information. Provides that the UH Board of Regents may authorize the expenditure of up to \$3 million annually for promoting alumni relations and generating private donations. Specifies elements required in the UH Foundation's annual report to the Legislature.

**University of Hawaii; Student Scholarship and Assistance Special Fund. (HB1710, HD2, SD2, CD1)** Establishes the student scholarship and assistance special fund administered by the University of Hawaii to provide financial assistance to qualified students. Requires an annual report to the Legislature. Authorizes the university to transfer funds from the tuition and fees special fund into the student scholarship and assistance special fund. Appropriates \$20 million for fiscal year 2004-2005 out of the student scholarship and assistance special fund.



# Resolutions Adopted

## I. Department of Education

### ASSISTANCE TO STUDENTS

**Alternative Schools; Dropout Centers; Drug Addicted Adolescents. (SR111)** Requests the Department of Education to explore the feasibility of establishing alternative schools or dropout centers for adolescents who suffer from drug addiction. Requests the Department of Education to report its recommendations and cost analysis to the 2005 Legislature.

**Community-Based Youth Programs; 1st Representative District. (SR43)** Requests the Department of Education (DOE) to work in conjunction with the youth of the 1st Representative District to continue to support community associations and other agencies such as the Department of Land and Natural Resources, the County of Hawaii Police Department, the County of Hawaii Fire Department, the County of Hawaii Department of Parks and Recreation, and other public and private agencies, to develop specific programs such as athletic leagues, youth centers, youth hotlines, and fine arts activities in the areas of music, drama, or dance that will channel collective energies in a positive direction. Requests the DOE, with broad community participation, and in conjunction with youth, various community leaders, and other agencies, to provide assistance in developing community-based programs that promote leadership building, team spirit, high self esteem, and reinforcement of values that result in positive contributions to the community. Requests the DOE to submit a report to the 2005 Legislature on the progress of the collective efforts of establishing community based programs for youth.

**Felix Consent Decree; Joint Senate-House Investigative Committee. (HCR63)** Authorizes the Committee established pursuant to Senate Concurrent Resolution No. 65 (2001) (SCR65) and chapter 21, Hawaii Revised Statutes, and continued pursuant to House Concurrent Resolution Nos. 7 (2002) (HCR7) and 96 (2003) (HCR96), to investigate the State's compliance with the Felix Consent Decree, to reconstitute and continue its work. Authorizes the Committee to have and maintain the same purpose, powers, authority, and duties prescribed in SCR65, HCR7, and HCR96 and exercise its powers throughout the Regular Session of 2004, during the interim between the Regular Sessions of 2004 and 2005, and throughout the Regular Session of 2005. Dissolves the Committee on 6/30/05. Includes the subject matter and scope of the Committee's investigatory authority to include: (1) alleged fraud, abuse, and overcharging in the implementation of the federal court order to improve services to Hawaii's special needs students, and (2) the questioning of current and former members of the Felix Monitoring Project and the Felix Technical Assistance Panel. Authorizes the President of the Senate and the Speaker of the House of Representatives to refer to the Committee specific matters that are within the scope of the Committee's jurisdiction. Requires the Committee to submit a report to the 2005 Legislature.

### BOARD OF EDUCATION

**Board of Education; Community Input. (SCR133; SR71)** Requests the Board of Education to review and revise policies by which they determine meeting sites and meeting structure to ensure that citizens residing in each educational district within the State are afforded a minimum of one opportunity per quarter to meet with at least one board member, the

appropriate district superintendent, and other local education administrators at the complex level, in a community meeting designed to allow for and facilitate general discussion and input on local educational issues. Requests the Board to report findings to the 2005 Legislature.

## **FEDERAL PROGRAMS**

**Development, Relief, and Education for Alien Minors (DREAM) Act. (HCR60)** Encourages Hawaii's congressional delegation to support and vote in favor of the Dream Act of 2003, providing each state with the option to furnish in-state tuition to immigrant children seeking higher education by qualifying them for conditional permanent resident status upon meeting certain qualifications.

**Perkins Vocational and Technical Education Act; Congressional Support. (HCR117)** Requests that Congress support full funding for the Carl D. Perkins Vocational and Technical Education Act, to provide individuals with the academic and technical skills needed to succeed in a knowledge and skills based economy by supporting career and technical education to prepare students both for post-secondary education and a career.

## **OTHER ISSUES**

**Department of Education; Central Kitchens. (SR9)** Requests the Department of Education, with the assistance of the Department of Accounting and General Services, to conduct a feasibility study on the establishment of central kitchens for the Department of Education and report findings and recommendations to the 2005 Legislature.

**Department of Education; Physical Education. (SR12)** Requests the Department of Education (DOE) to develop and require as part of the standards based curriculum an elementary school-level physical education program for public schools to promote health-related fitness, physical competence, and cognitive understanding about physical activity for all students. Requests the DOE to report its findings, conclusions, and recommendations on an elementary school level physical education program to the 2005 Legislature.

**Military Impacted Schools Task Force. (SR47)** Requests the Superintendent of Education to establish a task force to study specific issues relating to military-impacted schools, including resources, funding, staff, and services. Requests the task force to include, but not be limited to, principals and vice principals of each military-impacted school, representatives of teachers, Parent Community Networking Centers, or school/community-based management groups of each military impacted school, representatives of the transition centers in the Radford Complex schools, and representatives of the commanding officers of military installations. Requests the task force to report to the 2005 Legislature.

**Occupational Therapists, Physical Therapists, and Speech Therapists; Parity Study. (HCR203)** Requests the Department of Education (DOE) and the Department of Human Resources Development (DHRD) to study and implement parity between occupational therapists, physical therapists, and speech therapists working within the DOE. Requests the study to include a review and analysis of updated job descriptions, a classification study, similar shortage differentials including geographic differentials, and amendments to the

memorandum of understanding between the DOE and the Hawaii Government Employees Association, American Federation of State, County and Municipal Employees, Local 152, AFL-CIO, on August 30, 1989, to include occupational therapists and physical therapists. Requests DOE and DHRD to report their findings and recommendations, including proposed legislation, to the 2005 Legislature.

**Philippines Student Exchange. (SCR164; SR84)** Requests the Department of Education to establish a student exchange program involving students in the public schools of Hawaii and students in the provinces in the Republic of the Philippines with which the State has State-Province relationships.

**Public Schools; School Health Aide Personnel. (SR46, SD1)** Requests the Department of Health, in collaboration with the Department of Education, to develop a program to provide dependable substitutes for school health aides throughout the State to ensure that every school health room is staffed at all times by qualified health personnel. Requests the Department of Health to submit a report on this program to the 2005 Legislature.

## **II. University of Hawaii**

### **FACILITIES**

**Master Building Plan for the College of Education. (SCR20; SR10)** Requests the University of Hawaii to update the master building plan for the College of Education which was developed in 1994 by the Department of Accounting and General Services.

**Paradise Park; University of Hawaii Acquisition. (SCR114)** Urges the Governor to release the funds appropriated for the acquisition of Paradise Park in Manoa. Requests the University of Hawaii Board of Regents to accelerate negotiations for acquisition of the existing improvements as well as lease and fee interest in the 150 acre conservation land parcel that includes the former Paradise Park.

### **PROGRAMS**

**Asia-Pacific Risk Management and Insurance Program within the College of Business Administration at the University of Hawaii at Manoa. (SCR136)** Requests the Board of Regents of the University of Hawaii to establish an Asia Pacific Risk Management and Insurance Program within the College of Business Administration at the University of Hawaii at Manoa. Requests the Asia Pacific Risk Management and Insurance Program to expand the Master of Science in Finance Program, include specialized research programs, provide continuing education programs geared to meeting the needs of local insurance industry participants, and support the Insurance Division by providing research and counsel on complex and new initiatives in insurance. Requests the Board of Regents to report on the status of the program to the 2005 Legislature.

**Harold L. Lyon Arboretum; Audit. (SCR115; SR60)** Requests the Auditor to perform a management and financial audit of the arboretum. Requires report to the 2005 Legislature.

**Hawaiian Students; University of Hawaii; Audit of Recruitment Programs. (SR113, SD2)**

Requests the Auditor to conduct a management and effectiveness audit of programs to recruit and retain Hawaiian students at the University of Hawaii and to establish a baseline for evaluation of improvements in programming in the future. Requests the Auditor to report findings and recommendations to the 2005 Legislature. Requests the Chancellors of the University of Hawaii to form task forces to evaluate the results of the audit and plan for the improvement of services to recruit and retain native Hawaiian and Hawaiian students.

**University of Hawaii at Hilo, College of Pharmacy. (HCR158)** Encourages and supports the establishment of a College of Pharmacy at the University of Hawaii at Hilo.

**University of Hawaii School of Global and Public Health. (SCR92, SD1; SR48, SD1; HCR84)**

Urges the University of Hawaii to speedily rebuild a school of global and public health. Urges the University of Hawaii to join with other institutions and to work cooperatively with the military, the Centers for Disease Control and Prevention, and others for research dollars and to boost research options and developmental planning.

# ENERGY & ENVIRONMENT

---

*The Committee on Energy and Environment has jurisdiction over programs relating to energy resources; population; and environmental quality control and protection, including litter control, recycling, wastewater treatment, endangered species, and hazardous waste.*

## Bills Passed

### I. Energy

**Business Trade Secrets and Proprietary Information; Natural Energy Laboratory of Hawaii Authority. (HB2142, HD2; Act 23)** Excludes from chapter 92F, Hawaii Revised Statutes, and other laws requiring disclosure of government records any business trade secrets or confidential or proprietary commercial or financial information of a tenant or prospective tenant of the Natural Energy Laboratory of Hawaii Authority. Excludes from this protection the lease of state land itself.

**Energy Performance Contracts; Financing Options. (HB2049, HD1, SD2, CD1)** Broadens the financing options for energy performance contracts to include lease-purchases, financing agreements, and third-part joint ventures, and replaces shared savings plans with guaranteed-savings plans. Increases the allowable length of these contracts from 15 years to 20 years. Includes water saving technology retrofits in the definition of those contracts. Specifies that energy conservation retrofits include energy saved off-site by water or utility conservation enhancing retrofits. Defines "financing agreement".

**Ethanol Facility Tax Credit. (SB3207, SD2, HD2, CD1)** Changes the ethanol investment tax credit to the ethanol facility tax credit (EFTC) that is allowed only: (1) if the amount of the EFTC claimed does not exceed 100% of the investment amount; (2) in years that the ethanol production facility is operating at 75% of nameplate capacity or more; (3) if the facility is in production on or before 1/1/12; and (4) if no other tax credits for the same taxable year are claimed if the EFTC is claimed. Provides guidance for claiming the tax credit by: (1) specifying that the annual dollar amount of the credit shall be equal to 30% of the qualified facility's nameplate capacity if that capacity is greater than 500,000 but less than 15,000,000 gallons; (2) clarifying the definitions for "credit period," "investment," "nameplate capacity," "qualifying ethanol production," and "qualifying ethanol production facility" or "facility"; (3) deleting the definition for "maximum annual credit allowable"; (4) allowing partnerships, S corporations, estates, and trusts to claim the EFTC; (5) placing a cap of \$12,000,000 in the aggregate for all credits certified by Department of Business, Economic Development, and Tourism (DBEDT) in any year; and (6) making the tax credit applicable to taxable years beginning after 12/31/03. Requires DBEDT to maintain records pertaining to the EFTC and issue certificates verifying investment amounts, credit amounts, and cumulative tax credit amounts. Requires all information pertaining to the EFTC to be available to the public under chapter 92F, Hawaii Revised Statutes. Provides the Director of Taxation the authority to audit and adjust the certification of the credits.

**Honolulu Seawater Air Conditioning LLC; SPRBs. (HB2578, HD1, SD2, CD1)** Authorizes the issuance of up to \$32,000,000 in special purpose revenue bonds for the Honolulu Seawater Air Conditioning LLC for the planning, design, and construction of a seawater air conditioning/thermal energy storage district cooling system in downtown Honolulu.

**Net Energy Metering; Increased Capacity; Government Entity. (HB2048, HD1, SD1)** Increases the maximum allowable generating capacity of an eligible customer-generator from 10 kilowatts to 50 kilowatts. Includes government entities in the definition of "eligible customer-generator". Limits the exemption from additional requirements for meeting safety and performance standards to systems of 10 kilowatts or less.

**Renewable Energy; Fuel Tax Reduction. (SB1239, SD1, HD2, CD1)** Lowers the total fuel taxes for ethanol, methanol, biodiesel, and other alternative fuels, other than liquefied petroleum gas.

**Renewable Energy; Renewable Portfolio Standards; PUC Study. (SB2474, SD3, HD2)** Requires the Department of Business, Economic Development, and Tourism (DBEDT) and the Department of Land and Natural Resources (DLNR) to facilitate the private sector's development of renewable energy projects and provide meaningful support. Requires DLNR to develop and publish a catalog of potential sites for development of renewable energy, and streamline the planning and permitting processes for renewable energy projects. Requires DBEDT to develop a program to maximize state agency use of renewable energy, work with federal agencies to develop funding and technical support to help Hawaii achieve its renewable portfolio standards (RPS), and biennially issue a progress report to the Governor and Legislature beginning 1/2006. Requires the Public Utilities Commission (PUC) to develop and implement a utility rate structure by 12/31/06, that will encourage utilities to meet the RPS; determine the rate structure's impact on utility profit margins to ensure they do not decrease following implementation of the rate structure; perform studies reviewed by experts on whether Hawaii's utilities can meet the RPS in a cost-effective manner, and on the RPS proposed for the fifth and tenth years beyond current standards; revise the RPS based on the best information available if studies conflict with established RPS; and report findings and proposed legislation to the 2009 Legislature, and every five years thereafter.

Amends PUC's authority to set the rate for renewable energy supplied to a utility, by providing that the rate shall be not "more," rather than "less," than 100% of the utility's avoided cost, and removing specified factors that PUC must consider in setting the rate. Expands the definition of "renewable energy" to allow the RPS to recognize the renewable portion of fuels or energy produced using a combination of renewable and nonrenewable means. Increases renewable portfolio standards--i.e., the percentage of a utility's electricity sales that must be composed of renewable energy--to 10% of net sales by 12/31/10, 15% by 12/31/15, and 20% by 12/31/20. Requires the PUC to determine if a utility is unable to meet the RPS in a cost-effective manner or as a result of circumstances beyond its control which could not have been reasonably anticipated or ameliorated. Relieves a utility from responsibility for meeting the RPS pursuant to the PUC's determination that it is unable to do so.

**Renewable Energy Technologies; Income Tax Credit. (SB3162, SD1, HD1, CD1)** Clarifies that partnerships, S corporations, estates, and trusts are eligible to claim the renewable energy technologies income tax credit and allows any unused credit to be claimed in subsequent taxable years until exhausted. Applies to taxable years after 12/31/02.

**Worldwide Energy Group, Inc.; SPRBs; Extension. (HB1944, HD1, SD1)** Extends the authorization to issue special purpose revenue bonds on behalf of the Worldwide Energy Group, Inc. for the Hawaii sugar ethanol project, from 6/30/04 to 6/30/09.

## II. Environment

**Deposit Beverage Container Program. (SB1611, HD2, CD1)** Exempts amounts received as deposits under the program from the income tax laws. Adds a new definition for "redemption rate" under the deposit beverage container program. Clarifies that the container fee does not apply to containers exported for sale outside of Hawaii. Requires DOH to notify distributors in writing of the container fee amount and setting a schedule for recalculation of the fee based on redemption rates. Adds a provision to retain all funds in the deposit beverage container deposit special fund unless the Auditor determines funds to be in excess pursuant to management and financial audits. Requires distributors to generate and submit monthly reports on the number of beverages containers manufactured, imported, and exported during the month and make monthly payments based on those reports. Allows distributors who annually import or manufacture 100,000 or fewer containers to report and make payments on a semi-annual basis. Specifies the formula for calculating the amount payable by the distributor and the method of payment. Authorizes DOH to allow dealers to charge customers the deposit beginning 11/1/04, if the containers are labeled with the deposit value, the distributor has paid the deposit, and customers are informed that the containers are not redeemable until 1/1/05. Adds container refund value labeling requirements. Provides that deposit beverage containers that do not indicate the Hawaii refund value by 1/1/05, and are intended for sale shall be sold with stickers indicating the refund value. Specifies the availability and cost of the refund stickers. Requires dealers to operate a container redemption center by 7/1/05. Removes the requirement that redemption centers and reverse vending machines shall crush or destroy deposit beverage containers that are accepted for redemption. Adjusts procedures for notice of changes in the recovery rate and handling fee, and removing specified deadlines for payment of the fee. Adjusts redemption center reporting requirements, including the removal of requirement that redemption centers submit quarterly reporting information. Specifies the procedures that DOH shall use to implement and administer the program and provides that these procedures shall be repealed on 3/31/05. Provides a definition of "recycling drop-off facility" to supercede the definition in title 11, chapter 58.1, Hawaii Administrative Rules.

**Emergency Environmental Workforce. (SB2134, HD1, CD1)** Establishes the emergency environmental workforce program to assist the Hawaii invasive species council and the counties in their efforts to prevent the introduction of, control, and eradicate invasive species throughout the State. Requires the Research Corporation of the University of Hawaii to administer the program and submit annual status reports of the program to the Legislature beginning with the 2005 Regular Session.

**Endangered Species; Interim Rulemaking. (HB2498, HD1; Act 32)** Allows the Department of Land and Natural Resources to adopt interim rules to protect native species threatened with a significant risk of imminent local extirpation or species extinction. Requires publication of interim rules and allows those rules to be effective for no more than 180 days.

**Environmental Impact Statements; When Required; Accepting Agency. (HB1294, SD1, CD1; Act 55)** Closes loopholes in the environmental review process by requiring environmental assessments or environmental impact statements for proposals for wastewater facilities other than individual or small wastewater systems, waste-to-energy facilities, landfills, oil refineries, and power-generating facilities. Addresses the problems raised by legal challenges regarding the determination of which agency is the most appropriate entity to receive, process, and accept or reject an environmental assessment or impact statement by: (1) specifying that the accepting authority for those informational documents is not required to

be the final decision-making body or approving agency; and (2) specifically authorizing the respective planning departments to accept and process those informational documents.

**Illegal Dumping; Reward for Reporting. (SB3092, SD1, HD1, CD1)** Creates a reward of 50% of a fine collected by the authorized enforcement agency, for persons reporting illegal dumping activity. Provides that each fine collected is distributed to the authorized agency that enforced the prohibited activity.

**Pest Control Operators; Sanctions. (SB3172, SD1; Act 7)** Clarifies grounds upon which a pest control licensee may be disciplined, by including violations of law or rule that are rationally related to the licensee's qualifications, functions, duties, and responsibilities, including violations of the Hawaii pesticides law, and by excluding specific mention of convictions for any offenses against property rights.

**Polybrominated Diphenyl Ethers; Restrictions. (HB2013, SD2, CD1)** Prohibits the manufacturing, processing, or distribution of a product or flame-retardant part of a product containing more than 0.1% by mass of Polybrominated Diphenyl Ethers, on or after 1/1/06.

**Small Business Penalty Waiver; Limitation. (HB2074, HD1, SD1, CD1)** Specifies that the small business penalty waiver does not apply when a violation results in serious health and safety impacts, or to a violation of (1) the laws governing: historic preservation; conservation districts; soil erosion and sediment control; strip mining; reservation and disposition of government mineral rights; forest reserves, water development, zoning; wildlife; tree farms; aquatic resources; fishing rights and regulations; West Hawaii regional fishery management area; commercial fishing; marine life conservation program; ocean and submerged lands leasing; natural area reserves system; conservation of aquatic life, wildlife, and land plants; forest stewardship; Land Use Commission; coastal zone management; solid waste; safe drinking water; environmental quality control; air pollution control; ozone layer protection; water pollution; nonpoint source pollution management and control; noise pollution; integrated solid waste management; solid waste pollution; special wastes recycling; hazardous waste; underground storage tanks; and asbestos; (2) specific sections of the ocean recreation and coastal areas laws pertaining to small boat harbors and recreational ocean use; or (3) rules adopted to prevent the discharge or throwing of rubbish, refuse, garbage, or other substances likely to affect water quality into small boat harbors, launching ramps, other boating facilities, ocean waters, and navigable streams.

**Soil Renutrification Research; Appropriation. (SB3153, SD2, HD2, CD1)** Appropriates \$250,000 in fiscal year 2004-2005, to be expended by the Research Corporation of the University of Hawaii, for a pilot project on soil renutrification research by Maui Ag Partners on former pineapple lands in West Maui, to be coordinated by the Pacific cooperative studies unit of the College of Natural Sciences and the College of Tropical Agriculture and Human Resources at the University of Hawaii.

## **Resolutions Adopted**

### **ENERGY**

**Energy; Electricity; Intra-Governmental Wheeling. (SCR180, SD1, HD1)** Requests the Public Utilities Commission to explore how to implement the concept of intra-governmental wheeling to facilitate government wheeling of electricity and other regulatory measures to



support the development of renewable energy systems by federal, state, and county agencies.

**Honolulu Seawater Air Conditioning and Thermal Energy Source System. (SCR169; SR89)**

Finds that the development of the Honolulu Seawater Air Conditioning project in downtown Honolulu, using the Seawater Air Conditioning/Thermal Energy Storage System in state facilities, would help the State achieve its goals of increasing energy efficiency, decreasing reliance on fossil fuels, and shifting to an efficient and renewable energy source. Requests the Department of Accounting and General Services to: (1) assist Honolulu Seawater Air Conditioning LLC in conducting a study to determine the feasibility of implementing the Seawater Air Conditioning/Thermal Energy Storage District Cooling System for use in state facilities; (2) recommend that this system become the preferred air conditioning system for use in state facilities located in areas where this technology is feasible and available if the results of this study demonstrate that such a system provides life-cycle benefits that exceed total costs, including environmental costs; and (3) require the use of this technology in all bidding documents involving the construction or renovation of state facilities located in areas where this technology is feasible and available, as well as to provide a preference to bidders that incorporate this technology in their bidding proposals recommendations.

**Renewable Hydrogen Technologies; Iceland-Hawaii Partnership. (SCR175, SD1; SR94, SD1)**

Requests the U.S. Secretary of Energy to support a working partnership between Iceland and Hawaii to promote a real world example of the commitment of the United States to the principles of the International Partnership for the Hydrogen Economy.

## **ENVIRONMENT**

**Backhauling of Shipping Materials by Big Box Retailers. (SR97, SD1; HCR245, HD1, SD1)**

Requests the Department of Health to work with the Hawaii Food Industry Association to determine the feasibility of requiring large "big box" retailers and wholesalers to backhaul packaging, crating, insulation, pallets, and other accommodating materials used for shipping. Requires report to the Legislature, including any proposed legislation, before the 2005 Regular Session.

**Compost; Soil Remediation; Plant Bed. (SR91)**

Urges the Department of Business, Economic Development, and Tourism to coordinate state efforts to demonstrate the value of compost for remediation of depleted soils; form an advisory committee to formulate recommendations concerning the development of opportunities for remediation of marginal soils, as well as the development of a market for expanded use of compost as a plant bedding material; and coordinate efforts to promote the value of compost to potential end-users.

**Light Pollution; County Ordinances. (SR93, SD1)**

Requests the counties to address all light pollution issues through their ordinances, to include eliminating or mitigating artificial lights from: (1) adjacent buildings affecting the shorelines and nearshore waters that harm sea turtles, Newell's shearwaters, dark-rumped petrels, band-rumped storm petrels, Hawaiian monk seals, or any other marine population so threatened or harmed; and (2) buildings affecting the darkness of our skies near key astronomy and space surveillance sites.

**Maui; Water Quality; Lead Contamination. (SCR185, SD1; SR102, SD1)** Urges the United States Environmental Protection Agency (EPA) to immediately develop and implement alternative

rules under the Lead and Copper Rule. Requests the EPA to: (1) provide an option to identify and remove sources of contaminants when it has been demonstrated that the additives have not been effective in controlling the problem or if it is more practical or cost-effective to do so; (2) alter its methods and standards of sampling schemes to include a higher level of detail and accuracy; (3) allow for a contingency plan should all other routine recommendations for additives fail and allow a process for feedback for empirical data regarding effectiveness of additives; (4) carefully monitor lead action levels, even after the onset of the recommended additive intervention; (5) establish a mechanism to terminate the utilization of additives when the water supply has dropped below the 15 parts per billion action level; (6) manage all water systems on a case by case basis in order to assess the varying environmental conditions at the local level; and (7) carefully study their criteria regarding lead contaminating brass in plumbing fixtures, assuring that no lead is leached.

**Precautionary Principle. (SR86)** Urges state departments and agencies to implement the Precautionary Principle approach to decision-making, where there are reasonable grounds for concern, to help reduce harm by triggering a process to select the least potential threat. Includes the following essential elements: (1) anticipatory action--duty to take anticipatory action to prevent harm; (2) right to know--community has a right to know complete and accurate information on potential human health and environmental impacts associated with the selection of products, services, operations, or plans; (3) alternatives assessment--obligation to examine a full range of alternatives and select the alternative with the least potential impact on human health and the environment including the alternative to do nothing; (4) full cost accounting--duty to consider all the reasonably foreseeable costs, including raw materials, manufacturing, transportation, use, cleanup, eventual disposal, and health costs when evaluating potential alternatives, even if such costs are not reflected in the initial price; and (5) participatory decision process--decisions must be transparent, participatory, and informed by the best available information. Requests the Department of Health to report to the Legislature on the overall effectiveness of the Precautionary Principle policy no later than 11/1/07.

**Precautionary Principle; Legislative Reference Bureau Review. (HCR49, HD1, SD1)** Requests the Legislative Reference Bureau to conduct a review that examines the San Francisco Precautionary Principle ordinance as a policy framework for developing laws to protect the health and environment. Requires report to the Legislature before the 2005 Regular Session.

**State Boating Facilities Management Audit; Department of Land and Natural Resources Progress Report. (SCR168, SD1; SR88, SD1)** Requests the Board of Land and Natural Resources to report to the 2005 Legislature on its efforts to remedy the problems identified by the Auditor's 1998 and 2001 audits of the management of state boating facilities by the Department of Land and Natural Resources. Request report to provide a detailed explanation for the delay or failure to address each concern identified by the Auditor and a detailed explanation and rationale for the delay or failure to implement the Auditor's recommendations.

**Water Quality Monitoring Program; Legislative Reference Bureau Feasibility Study. (HCR118, HD1)** Requests the Legislative Reference Bureau (LRB) to: (1) study the feasibility of establishing a suitable monitoring program that emphasizes environmental protection; and (2) consult with appropriate local and state agencies, scientists and experts, and environmental organizations who in turn are requested to cooperate with and assist the LRB to the extent of their ability. Requests report to the Legislature, including any proposed legislation, before the 2005 Regular Session.

**Yellowstone Buffalo Preservation Act; Congressional Support Urged. (HCR149)** Urges Hawaii's congressional delegation to help prevent the inhumane treatment of the Yellowstone buffalo and support passage of the Yellowstone Buffalo Preservation Act, H.R. 3446.

# HEALTH

---

*The Committee on Health has jurisdiction over programs relating to general health, maternal and child care, communicable diseases, dental health, medical and hospital services, mental health, mental retardation, and hospitals.*

## Bills Passed

### APPROPRIATIONS FOR HEALTH AND HUMAN SERVICES

**State Funds; Emergency Budget and Reserve Fund; Health and Human Services Programs. (HB2796, HD1, SD2, CD1; Act 45)** Appropriates funds from the emergency budget and reserve fund for the following various health and human services programs, including grants, subsidies, and purchases of services, for FY 2004-2005:

- \$90,000 as a grant to Hale Mahaolu for the personal care program for disabled or chronically ill frail adults and elders residing in Maui County;
- \$200,000 for treatment services for child victims of intrafamilial sexual abuse;
- \$100,000 as a grant to the Hawaii Youth Services Network for its Transitional Living Program for Unserved Street Youth;
- \$500,000 for the residential alternative community care program;
- \$100,000 for the chore services program;
- \$200,000 as a grant to Volunteer Legal Services Hawaii for its Na Keiki Law Center project focusing on protecting the rights of children;
- \$150,000 as a grant for the Domestic Violence Clearinghouse and Legal Hotline for Maui;
- \$150,000 for costs related to homeless assistance;
- \$75,000 for the Program for All Inclusive Care for the Elderly to expand to the neighbor islands;
- \$750,000 as a subsidy for the operating costs of Molokai General Hospital;
- \$750,000 as a subsidy to Kahuku Hospital for costs associated with emergency room operations, inpatient and outpatient care for the underinsured, medical malpractice insurance, and labor;
- \$750,000 as a subsidy for emergency services at the Waianae Coast Comprehensive Health Center;
- \$250,000 as a subsidy for Wahiawa General Hospital to provide indigent care services;
- \$50,000 as a subsidy to the St. Francis Medical Center for operating the bone marrow registry;
- \$200,000 to enable the Department of Health to operate a hospital-based poison center twenty-four hours a day;
- \$750,000 as a subsidy to the Hana Community Health Center to cover operational expenses;
- \$250,000 as a subsidy to the Hana Community Health Center for behavioral services for Hana High and Elementary Schools;
- \$2,200,000 to the DOH to provide resources to nonprofit, community-based healthcare providers to care for the uninsured;
- \$600,000 as a subsidy for the Kapiolani Medical Center for Women and Children Sex Abuse Treatment Center master contract;
- \$200,000 as a subsidy for Kauai Community Health Center;
- \$30,765 for the donated dental services program in Hawaii;

- \$75,000 as a grant for Catholic Charities of the Diocese of Honolulu for the Lanakila Multi-Purpose Senior Center;
- \$60,000 as a grant for the Moiliili Community Center for program support; \$25,000 as a grant for the Waikiki Community Center for program support;
- \$50,000 as a grant for Maui Economic Opportunity, Inc., and its night transportation service for dialysis treatment programs;
- \$25,000 for the Hawaii Drug Assistance Program;
- \$25,000 for the Hawaii Seropositivity and Medical Management Program;
- \$100,000 as a grant for Family Support Services of West Hawaii for family centers in North Hawaii and in Kau;
- \$100,000 as a grant for Friends of Foster Kids to develop infrastructure to transition into a professional child welfare services agency;
- \$80,000 as a grant to Na Lei Wili Area Health Education Center for the Grow Our Own Healers Youth Program and Health Corps Hawaii;
- \$100,000 as a grant to the Roman Catholic Church in Hawaii for the Mobile Care Health Project to provide primary dental care services for the uninsured and underinsured on the island of Hawaii;
- \$100,000 as a grant to the Self-Help Housing Corporation of Hawaii for self-help housing technical services to assist low- and very low-income families to build and own their own homes;
- \$100,000 as a grant for Parents and Children Together for programs on child development and parenting skills;
- \$40,000 as a grant for the Boys and Girls Club of Hawaii in Papakolea to continue its youth services program;
- \$85,000 as a grant to assist in the completion of the Teen Center at Nanakuli High and Intermediate Schools;
- \$50,000 for continued enrichment and after-school programs at Nanaikapono Elementary School;
- \$25,000 as a grant for the Honolulu Community Action Program in Waianae to support the Hawaii Family Advocacy Program;
- \$25,000 as a grant for the Weed and Seed program on the Waianae Coast;
- \$75,000 as a grant for the Honolulu Neighborhood Housing Services operating expenses for the purpose of developing low-income rental homes and rehabilitating homes for low-income families and individuals; and
- \$100,000 as a grant for Kokua Kalihi Valley Comprehensive Family Services to establish school-based or school-linked health services at the high school and middle schools in Kalihi.

## **EMERGENCY MEDICAL SERVICES**

**Emergency Medical Services. (SB2690, SD2, HD2, CD1)** Establishes the emergency medical services special fund under the Department of Health (DOH), to be used for operating a state comprehensive emergency medical services system. Increases the motor vehicle registration fee by \$5 to \$25, and deposits \$5 into the fund. Appropriates \$2,205,000 from the general fund to help start up the fund, and provides for reimbursement to the general fund by 6/30/06. Appropriates \$1,500,000 for an additional ambulance for the Leeward Coast, including Makakilo. Appropriates \$430,000 to upgrade the rapid response unit in urban Honolulu to a 24/7 advance life support unit. Appropriates \$351,622 to establish a 16-hour, 7-day rapid response unit in the Kahaluu-Kaaawa area. Appropriate \$850,000 to provide sufficient 24-hour advanced life support ambulance services for the Kihei/Wailea region of

Maui. Appropriates \$750,680 to staff the ambulance at Hawaiian Ocean View Estates. Appropriates \$350,000 for a development and training instructor for Kauai (\$75,000), video conference system to connect Kauai, Maui, and Hawaii with EMS instruction on Oahu (\$75,000), and paramedic training equipment for Kauai, Maui, and Hawaii (\$200,000).

**Emergency Medical Services; Immunity for Emergency Aeromedical Services. (SB3156, SD1, HD1, CD1)** Provides that the State shall not be liable for any claim of injury or death based on a failure to establish or continue emergency aeromedical services in any part of the State or in any county, including the failure of the Department of Health to establish emergency aeromedical services.

## **HEALTH FACILITIES**

**Certificate of Need; Hospitals. (HB2539, HD2; Act 33)** Provides that no building permit shall issue for an existing hospital unless a current certificate of need (CON) is submitted in connection with the application or a statement from a state agency that a CON is not required.

**Rehabilitation Hospital of the Pacific; SPRBs. (HB2170, HD1, SD1)** Authorizes the issuance of special purpose revenue bonds not to exceed \$20,000,000, to assist the Rehabilitation Hospital of the Pacific, a Hawaii nonprofit corporation, in financing construction improvements and expanding in-patient and out-patient service capabilities to meet requirements.

**St. Francis Healthcare System of Hawaii; SPRBs. (SB3135, SD1, HD1, CD1; Act 73)** Authorizes the issuance of special purpose revenue bonds not to exceed \$85,000,000 to assist St. Francis Healthcare System of Hawaii to finance the construction, improvement, and equipment of health care facilities.

## **HEALTH RELATED INSURANCE**

**Dental Insurance. (HB2414; Act 30)** Extends to 7/1/05 the Insurance Commissioner's authority to monitor the solvency of dental service organizations and dental service corporations, as authorized in Act 132, Session Laws of Hawaii 2001.

**Health Insurance; Managed Care Plans; Complaints and Appeals Procedures. (SB2589, SD1; Act 27)** Expands from 45 days to 60 days the time period within which a managed care plan, after receiving an enrollee complaint, must send notification to the enrollee of its decision.

**Motor Vehicle Insurance; PIP benefits; Naturopathy. (SB3222, SD2, HD2; Act 56)** Expands scope of mandatory personal injury protection benefits provided under motor vehicle insurance policy to include naturopathy. Includes naturopathic treatments within 30-treatment limit for alternative health treatments.

## **LICENSING; PROFESSIONAL AND VOCATIONAL**

**Dental Examination. (SB2897, SD2, HD2; Act 69)** Provides that in the event the Board of Dental Examiners is unable to administer an examination for dental hygienists or for dentists, a qualified applicant for the canceled board examination who has passed a regional or state examination satisfactory to the board within one year prior to the canceled board examination, or who takes and passes a regional or state examination satisfactory to the board prior to the board's next administered examination, shall meet the board's examination requirement. Repeals provision relating to application for examination of graduates of foreign dental schools not accredited by the American Dental Association.

**Dental Licensing and Dental Hygienist Licensing; Community Service Licenses. (SB2586, SD2, HD2, CD1)** Allows the Board of Dental Examiners to issue a community service license without examination, authorizing qualified dentists and dental hygienists to practice in a federally qualified nonprofit health center, Native Hawaiian health care system, or an accredited post-secondary dental auxiliary training program. Prohibits persons who after the effective date of this measure have failed to pass the license examination from being issued a community service dental or dental hygiene license. Requires community service licensees to actively participate in a formal and ongoing program of clinical quality assurance. Allows a license to be renewed annually, after review and reauthorization of the Board of Dental Examiners. Sunsets 7/1/09.

**Medicine and Surgery Licensure; Canadian Residency Training and Examination. (HB2092, HD2, SD2)** Authorizes the recognition of Canadian medical residency programs and the Canadian licensing examination in order to facilitate the licensure of qualified foreign-educated or foreign-trained physicians. Deletes broader language that included any non-U.S. program that had substantially equivalent standards to specified U.S. standards. Allows graduates of U.S. and Canadian medical schools who have completed a minimum of one year of residency training in a program accredited by the Royal College of Physicians and Surgeons of Canada or the College of Family Physicians of Canada to qualify for licensure. Authorizes the recognition of the Medical Council of Canada Evaluating Examination and the Medical Council of Canada Qualifying Examination for licensure purposes. Requires the Board of Medical Examiners to periodically review statutory licensing requirements for all United States and Canadian medical school graduates.

**Nurses; Licensure; Foreign Nursing Schools. (SB2899, SD2, HD1)** Provides that applicants who have graduated from a practical nursing program at an educational institution in a foreign jurisdiction and are applying for a license to practice as a licensed practical nurse by examination shall submit to the Board of Nursing (board) proof of eligibility. Provides that applicants shall be eligible to apply for a license by examination if they have met the educational requirements prescribed by the board and have had their transcripts evaluated by professional evaluators designated by the board. Provides that a nurse who has not actively practiced in this State or any other state in the U.S. or any other territory or possession under the jurisdiction of the U.S. for more than five years shall be required by the board to submit proof of continued competency by retaking and passing the licensing examination. Requires the board to report to the Legislature before the 2005 Session on research relating to the Commission on Graduates of Foreign Nursing Schools examination and the English proficiency examination, and their impact on nurse applicants.

## **MEDICAL RECORDS**

**Medical Records; Confidentiality. (SB2005; Act 22)** Amends the confidentiality of records provisions of the mental health, mental illness, drug addiction, and alcoholism law by changing "insurer" to "provider" to allow the provider to inform the patient that a reimbursement claim will be made to the patient's insurer.

**Medical Records of Deceased Person; Release. (HB2098, HD1, SD2)** Provides for the release of medical records of a deceased person, with certain limitations, to the personal representative or next of kin. Provides that a health care provider may honor a request by the next kin for a deceased person's records, notwithstanding applicable state confidentiality laws, if they relate to HIV, AIDS, mental illness, or substance abuse treatment. Allows a health care provider to refuse a request by the deceased person's next of kin for release of medical records if the deceased had previously indicated to the medical provider in writing that the person did not wish to have medical records released to next of kin. Allows a deceased person's medical records to be produced pursuant to a court order specifically compelling release.

## **MENTAL HEALTH**

**Advance Mental Health Care Directives. (SB1238, SD2, HD2, CD1)** Authorizes any competent adult or emancipated minor to make a written advance mental health care directive declaring preferences or instructions regarding mental health care treatment. Defines advance mental health care directive to mean a written document expressing preferences, instructions, or a power of attorney for mental health treatment. Defines power of attorney to mean the designation of an agent to make mental health care decisions for the principal granting the power. Allows for revocation of all or part of a directive, including the designation of an agent, if the person has capacity to do so, at any time and in any manner that communicates the intent to revoke. Provides that the authority of the agent becomes effective upon a determination that the principal lacks capacity and ceases to be effective upon a determination made by the supervising health care provider who is a physician and one other physician or licensed psychologist after both have conducted an examination of the principal. Provides for a presumption of capacity unless there is a determination of lack of capacity. Requires a duly appointed guardian to comply with the principal's preferences or instructions expressed in the directive. Requires the health care provider or institution to continue to obtain the principal's informed consent to all mental health treatment decisions when the principal has the capacity. Provides that unless the principal lacks capacity, the instructions or decisions of the principal at the time of the mental health treatment supercedes the directive. Provides for judicial intervention procedures upon petition of the principal. Provides for a statutory form to execute the advance mental health care directive, which includes a durable power of attorney that is witnessed by two persons and notarized. Repeals the medical treatment decision for psychotic disorders law.

**Mental Health. (SB1362, SD3, HD2; Act 79)** Expands the ability of the Department of Health (DOH) to conduct criminal history record check information for providers of non-witnessed direct mental health services by removing restriction to those services only on behalf of the child and adolescent mental health division. Replaces the requirement for a DOH statewide four-year plan for the mental health system with a comprehensive integrated service plan that is the cumulative result of comprehensive integrated service area planning within each county. Establishes a service area administrator in each county.



## NURSING

**Nurses; Prescriptive Authority. (SB3085, SD2, HD2, CD1)** Removes 6/30/04 sunset date of Act 192, Session Laws of Hawaii 2002, which provides prescriptive authority for advanced practice registered nurses (APRNs). Codifies Section 2 of Act 192, SLH 2002, which requires that the Department of Commerce and Consumer Affairs establish a Joint Formulary Advisory Committee. Requires the advisory committee to report its activities and recommendations to the 2005 Legislature in regards to the prescriptive authority formulary, including justification by the Board of Medical Examiners as to the denial of any advisory committee recommendation.

**Public Health Nursing Services. (SB2948, SD2, HD1, CD1)** Establishes the public health nursing services program under the Department of Health (DOH). Authorizes the program, at the discretion of the Director of Health, to provide the following services: mobilizing DOH's nursing resources and responding to catastrophic and traumatic emergency events; responding to communicable disease, epidemic, and other public health disease outbreaks; providing care coordination services to the most vulnerable populations; collaborating with the Department of Education and the Hawaii chapter of the American Academy of Pediatrics in providing school health services; developing collaborative partnerships to improve the health of families and communities; collecting and evaluating data to determine family and community health needs for nursing and health service delivery; and providing other health care related services as determined appropriate based on community health needs. Provides that the services shall be limited by and subject to the availability of funds.

## PHARMACEUTICAL DRUGS

**Generic Substitution of Prescription Drug Products. (SB2950, SD1; Act 28)** Gives the responsibility for the compendia of therapeutically equivalent generic drug products to the Director of Health, instead of the Drug Product Selection Board. Deletes provision of the law that prohibits the substitution of anti-epileptic drugs without consent.

**Optometry; Use of Pharmaceuticals. (HB1797; Act 46)** Repeals the limitation on the use of pharmaceuticals by therapeutically certified optometrists to topically applied drugs. Repeals restrictions on the use of topical steroidal and anti-viral agents by therapeutically certified optometrists and authorizes their use or prescribing of steroidal agents. Repeals the prohibition on the prescribing, dispensing, or administering of nonprescription oral drugs, the treatment of glaucoma, and the use of prescription anti-fungal or oral agents. Retains the prohibition against the administering of injectable agents, but permits the administering of anaphylaxis.

**Practice of Pharmacy. (HB2798, HD1, SD2)** Expands the scope of the practice of pharmacy to include the intranasal delivery of drugs and the oral or intranasal delivery of immunizations by pharmacists having appropriate training.

## OTHER ISSUES

**Air Pollution Control. (HB1840, HD1, SD1, CD1)** Authorizes the Department of Health to adopt rules necessary to control fugitive dust, both within and beyond a property lot boundary line, regardless of whether the emissions enter the ambient air.

**Automatic External Defibrillators. (HB1991, HD1, SD1)** Provides that any physician who administers an automatic external defibrillator (AED) program without remuneration or expectation of remuneration shall not be liable for any civil damages resulting from any act or omission involving the use of an AED, except if it results from the physician's gross negligence or wanton acts or omissions. Clarifies that immunity for AED-trained individuals applies to any AED device, regardless of location.

**Kalaupapa Settlement. (HB2814, HD2, SD1, CD1)** Requires the Department of Health (DOH) to submit an annual report to the Legislature that details efforts to improve the financial and management operations of Kalaupapa, including the provision of medical and basic living needs of the patients, progress toward promoting a positive living environment and addressing nonmedical needs, management of state resources, progress toward establishing written policies and procedures for the Kalaupapa store, progress towards establishing and maintaining a complaint file and adequately addressing complaints, performance of the administrator, progress toward adequate accountability of state property, and details and justification of approved employee air travel requests and trail pay. Requires the DOH to track separately, whenever possible and appropriate, patient and nonpatient costs.

**Medical Errors; Peer Review. (SB2577, SD1, HD2; Act 54)** Defines "health care review organization." Clarifies the composition of the quality assurance committee to apply to a long-term care facility, skilled nursing facility, assisted living facility, home care agency, or hospice. Requires these committees to reduce the risk of harm to patients and improve patient safety or otherwise improve the quality of care delivered to patients, and to convene meetings for the presentation and critique of cases for educational purposes. Provides that information and data relating to a medical error reporting system, which is compiled and submitted by a medical provider to a health care review organization for a peer review committee or hospital quality insurance committee, shall not be subject to discovery. Clarifies what information and data are protected from discovery.

**Pain Patient's Bill of Rights. (HB1839, HD2, SD2)** Establishes a pain patient's bill of rights. Allows a patient suffering from severe chronic or severe acute pain to request or reject the use of any or all modalities for pain relief. Allows a patient suffering from severe chronic or severe acute pain to choose pain relief options that include opiate medications without first having to submit to an invasive medical procedure. Authorizes a physician to refuse to prescribe opiate medication for pain patients and allows the physician to refer the patient to physicians who treat severe chronic or acute intractable pain with methods that include opiates. Allows patients to request an identification notice of the prescription for emergency treatment or law enforcement purposes. Allows the Board of Medical Examiners to establish guidelines for physicians and osteopathic physicians relating to pain management for patients with pain.

**School Health. (HB2198, HD1; Act 19)** Requires the Department of Education (DOE) to permit the self-administration of medication by a student for asthma, anaphylaxis, or other potentially life-threatening illnesses. Allows a student who is permitted to self-administer medication to carry an inhaler and auto-injectable epinephrine. Requires written authorization from the parent for the self-administration of the medication and written certification from the student's physician stating that the student has asthma, anaphylaxis, or

another potentially life-threatening illness and has been instructed in the proper method of self-administration of medication. Requires the DOE to inform the student's parent or guardian in writing that the DOE is not liable if any injury arises from the self-administration of medication by the student. Requires the student's parent or guardian to sign a statement acknowledging the DOE's non-liability and that the parent or guardian shall indemnify and hold harmless the DOE and its employees against any claims arising out of the self-administrations of medication by the student. Defines "inhaler."

**Sterile Syringes for the Prevention of Disease. (HB2472, HD2, SD1, CD1)** Repeals the sunset provision regarding DOH administrative requirements of Act 292, Session Laws of Hawaii 2001, thereby making permanent provisions to allow the continued sale of syringes by qualified individuals to prevent the transmission of blood-borne diseases.

## **Resolutions Adopted**

### **CAREGIVERS**

**Executive Office on Aging; Family Caregivers. (HCR154)** Requests the Executive Office on Aging to provide data on Hawaii's family caregivers and the older adults to whom they provide assistance, including demographics; needs; and financial costs of Hawaii's family caregivers. Requests the Executive Director of the Executive Office on Aging to submit the requested data and report to the Legislature before the 2005 Regular Session.

**Family Caregivers; Recognized Contributions. (SCR75; SR35)** Urges the Governor, Department of Health, Department of Human Services, and the University of Hawaii to recognize the importance of the contributions of family caregivers and to support them to the extent possible, as a state objective in serving the State's long-term care needs of its residents.

### **DISABILITIES**

**Hawaii State Council on Developmental Disabilities; Task Force; Residential Setting Choices. (SCR79, SD1, HD1)** Requests the Hawaii State Council on Developmental Disabilities to convene a task force to identify issues and solutions regarding individuals with developmental disabilities (DD) and their choice of residential setting. Requests that the task force: identify residential options available; address individual choice and self-determination in increasing residential options; identify statutes, administrative rules, policies, and directives that need to be revised to reflect individual choice and assure civil rights, health, and safety; and coordinate its activities with the Olmstead Task Force to prevent duplication of work. Requests the task force to include: individuals with DD; family members of individuals with DD; residential service providers; support service providers; representatives from the Department of Health's DD Division, Office of Health Care Assurance, Adult Mental Health Division, and State Council on Developmental Disabilities; Department of Human Services, Social Services Division; Hawaii Disability Rights Center; and Office of the Public Guardian. Requests the task force to submit its findings and recommendations, including any proposed legislation, to the 2005 Legislature. Requests the Department of Health to refrain from taking any action which would result in the relocation of any individuals with DD without their

consent from a home in which they reside simply because of the failure of the home to be licensed.

**Individuals with Disabilities; Community Services. (HCR103, HD1)** Requests the Departments of Health and Human Services to examine the federal Independence Plus Initiative to determine if Hawaii can benefit from applying for and obtaining a waiver or waivers to provide individuals with disabilities with services in the community. Requests that the Directors of Health and Human Services submit a report to the Governor and Legislature before the 2005 Regular Session on recommending whether the Departments of Health and Human Services should participate in the federal Independence Plus Initiative through application of waivers. Requests that the Directors of Health and Human Services submit any proposed legislation to the Legislature for consideration, if necessary to proceed with any application for waivers. Requests the Directors of Health and Human Services to keep the Governor and Legislature apprised of progress concerning the application for any waivers sought.

## **MEDICAL MATTERS**

**Continuing Medical Education; Pain Management. (SCR49)** Urges the offering of continuing medical education on pain management by the Hawaii Consortium of Continuing Medical Education and various hospitals, medical centers, and clinics.

**Dialysis Treatment; Puna District. (SCR146, SD1)** Urges the Hawaii Health Systems Corporation and St. Francis Healthcare System to continue their partnership in serving the needs of dialysis patients by expanding their network of dialysis treatment facilities to the Keaau Family Center in the Puna District and by conducting a needs assessment that will determine the cost and requirements of establishing a dialysis center in Puna.

**Federal Communications Commission; Cellular and Radio Antennas; Waiawa Industrial Area. (SCR40; SR20)** Requests Hawaii's congressional delegation to urge the Federal Communications Commission to launch a formal investigation to examine the adverse health effects of cellular and radio antenna towers in the Waiawa "Pearl City" industrial area and, if necessary, to require the removal of any unused or potentially dangerous antennas that pose a health risk to the surrounding community.

**Fetal Alcohol Spectrum Disorder; Establish Statewide Effort. (HCR141; SR36, SD1)** Requests the Department of Health to establish a coordinated statewide effort to address fetal alcohol spectrum disorder (FASD), including: public awareness; professional education; screening high-risk populations; diagnosing high-risk populations; surveillance and data to help define and describe the problem; and intervening with high-risk populations. Requests progress report to the Legislature before the 2005 Regular Session.

**Health Insurance; Cognitive Rehabilitation Coverage; Impact Assessment Report. (SCR37)** Requests the Auditor to assess the social and financial effects of requiring health insurers to offer coverage for cognitive rehabilitation for all policies and contracts, hospital and medical service plan contracts, medical service corporation contracts, and health maintenance organization plans and contracts issued after 12/31/04. Requests the Auditor to submit findings and recommendations to the Legislature before the 2005 Regular Session.

**Mammography Studies; Reimbursement Levels. (HCR138, HD1, SD1)** Requests the Department of Health and the Insurance Commissioner to review reimbursement levels of providers for all mammography studies and follow-up diagnostic testing designed to identify breast-related cancers in order to ascertain the appropriateness of those reimbursement levels. Requests the Director of Health to investigate current reimbursement levels for screening and diagnostic mammography and related diagnostic studies, in order to take whatever steps are deemed necessary to assure adequate access by patients of those studies.

**Medical Marijuana; Legislative Reference Bureau; Study. (HCR152, HD2)** Requests the Legislative Reference Bureau, with the assistance of the Department of Public Safety, to conduct a study based on information available from other states on how medical marijuana plants and products may be procured and distributed to patients registered with the medical marijuana program, including: (1) methods by which registered users may access, cultivate, distribute, or purchase marijuana plants or products for medicinal purposes; (2) processes or procedures by which state and local agencies have made distinctions between medical marijuana and recreational marijuana; and (3) experience of states in obtaining access to marijuana supplied by the federal government for therapeutic research.

**Mold Working Group. (SR100, SD1)** Requests the Department of Health and American Industrial Hygiene Association to convene a mold working group to identify key issues regarding molds that should be addressed in future legislation, including: those relating to defining mold amplification, dosage, routes of transmission, health threat assessment, and mold identification, characterization, and remediation. Requests the working group to investigate and propose legislation regarding: permissible mold exposure limits; mold assessment standards; mold identification guidelines; any other matter related to the health and safety risks of exposure to molds; and recommendations on the feasibility of setting permissible exposure limits to mold in indoor environments. Requests the working group to include representatives from: the Department of Health, Department of Accounting and General Services, University of Hawaii John A. Burns School of Medicine, Hawaii Association of Realtors, Building Owners and Managers Association, American Industrial Hygiene Association, Indoor Air Quality Association, and Environmental Science International. Requests the working group to also include: a certified industrial hygienist with experience in indoor air quality, an architect with experience in building diagnostics and forensic architecture, and a representative from the property and casualty insurance industry. Requests the working group to utilize given definitions of "mold assessment" and "mold remediation". Requests report to the Legislature before the 2005 Regular Session.

**Polio Awareness. (SR37, SD1)** Requests the Governor to declare 2004 as the "Year of Polio Awareness" month in Hawaii. Acknowledges that 2004 is the 50th anniversary of the development of the polio vaccine. Acknowledges that the success of the polio vaccine has resulted in complacency, with the polio vaccination rate in Hawaii in 2003 well below the national average.

## **MENTAL HEALTH**

**Mental Health Services; Private Pay Graduated Charges; Rules. (SR49, SD1)** Requests the Department of Health to convene a task force to examine the feasibility of allowing private

pay patients on a fee for services basis to receive day continuing services, including mental health treatment, psychosocial rehabilitation services, and other community support services provided by the Department's community health centers; requiring private pay patients to pay in full for those services; establishing a schedule of graduated fees; and developing public-private partnerships to enhance mental health services in the community. Requests that the task force include representatives from: Department of Human Services, Healthcare Association of Hawaii, Hawaii Medical Service Association, Kaiser Permanente, the National Alliance for the Mentally Ill-Oahu, two public sector consumers, and two private sector consumers. Request progress report to the Legislature before the 2005 Regular Session.

**Mental Health Treatment; Department of Health; Working Group; State-Operated or State Contracted Facilities. (HCR156, HD1)** Requests the Department of Health (DOH) to convene a working group to evaluate alternatives and recommend possible statutory and other changes to streamline and expedite mental health treatment to persons committed to state-operated or state contracted facilities. Requests the working group to consider how the order to treat could accompany patients when they are committed to any state-operated or state contracted facility. Requests the working group to include representatives from: DOH, including staff from Hawaii State Hospital; Department of the Attorney General; Judiciary; Hawaii Mental Health Association; Hawaii Psychiatric Medical Association; Hawaii Disability Rights Center; National Association of the Mentally Ill-Oahu; Hawaii Government Employees Association; and qualified mental health consumer advocates. Request report to the Legislature before the 2005 Regular Session.

## **OTHER ISSUES**

**American Medical Association House of Delegates; Interim Winter Meeting. (HCR159)** Expresses legislative support for the Hawaii Medical Association, Hawaii Psychiatric Medical Association, and the American Psychiatric Association in extending an invitation to the American Medical Association House of Delegates to return to Honolulu, Hawaii for its interim winter meeting in 2007 or 2008.

**Health Care Barriers; Men. (HCR150)** Acknowledges the importance of men's health issues and advocates and encourages support of men's health activities to facilitate use of existing government health networks to improve the health and well-being of men. Encourages national, state, and local efforts to secure access and remove barriers to health care for men and their family members.

**State Capitol; Smoke-Free. (SCR17, HD1)** Requests the Governor, Lieutenant Governor, President of the Senate, Speaker of the House, Comptroller, Director of Public Safety, and the Director of the Legislative Reference Bureau to designate the State Capitol as a completely smoke-free building with appropriate "No Smoking" signs to be posted and existing ashtrays removed. Requests the Governor to take steps to ensure enforcement of existing law that prohibits smoking in public areas of state-owned buildings.

**United Nations Center in Hawaii; Exploratory Task Force; World Youth Congress Center. (HCR153, HD1)** Requests the United Nations (UN) to consider establishing a Center for the Advancement of Global Health, Welfare, Education, and Peace By and For Children, Youth and Families in Hawaii. Urges the President of the United States and members of Congress to support the establishment of a Center. Requests the Matsunaga Peace Institute, the United

Nations Association in Hawaii, the House Committee on International Affairs, and the Keiki Caucus of the Hawaii State Legislature to convene an exploratory task force to develop a proposal for consideration by the UN. Requests that assistance be sought from foundations and other nongovernmental organizations who might assist in funding the Center. Urges the World Youth Congress to establish a Center dedicated to UN Secretary General Kofi Annan.





# HUMAN SERVICES

---

*The Committee on Human Services has jurisdiction over programs relating to public assistance, Medquest, youth services, early childhood education and care programs under the Department of Human Services, and vocational rehabilitation; and programs relating to the promotion of the general well-being of Hawaii's youth, families, and elderly population.*

## Bills Passed

### CHILDREN

**Child Abuse and Neglect; Drug-affected infants; Federal Grants. (SB2165, SD1, HD1, CD1)**

Requires the Department of Human Services (DHS) to implement and operate a statewide child abuse and neglect program that includes: (1) referral services for infants born and identified as being affected by illegal substance abuse or withdrawal symptoms resulting from prenatal drug exposure; (2) plan development for safe care of the infant; and (3) triage procedures. Requires DHS to seek available federal grants and ensure that federal reporting requirements are adhered to.

**Child Abuse and Neglect Programs; Income Tax Check-Off; Funding. (HB1860, HD1, SD2, CD1)**

Requires the Director of Taxation to revise the individual state income tax form to allow the taxpayer to designate five dollars of their refund as follows: (1) one-third to the Hawaii children's trust fund; and (2) two-thirds to be divided equally among the domestic violence prevention special fund under the Department of Health; the spouse and child abuse special account under the Department of Human Services; and the spouse and child abuse special account under the Judiciary. Provides for joint returns by allowing each spouse to designate five dollars of their refund. Applies to taxable years beginning after 12/31/04.

**Early Childhood Care; Appropriation. (SB3230, SD2, HD1, CD1)**

Requires the Department of Human Services to establish a pilot project in East Hawaii to provide community-based, collaborative, comprehensive early childhood care direct services for children under age five and their families in critical need areas, and to report to the Legislature before the 2005 Session. Appropriates \$200,000 for the project for fiscal year 2004-2005. Restricts the funds from being utilized for planning, studies, or other strategic functions.

**Public Health Statistics Records; Child Support Enforcement Agency. (HB2385, HD1, SD1)**

Allows the Child Support Enforcement Agency, through the offices of corporation counsels, county attorneys, or the Attorney General, to have access to Department of Health public health statistics records, limited to using identifying information in those records as necessary consistent with the federal Title IV-D child support enforcement program and applicable state laws. Permits access by the U.S. Secretary of Health and Human Services, or the Secretary's agent, solely for the purpose of funding or oversight of Title IV-D.

### HOSPITALS

**Critical Access Hospitals; Payment Methodology. (SB2608, SD1, HD1, CD1)**

Eliminates the sunset provision regarding critical access hospitals, allowing for the following to be

permanent: (1) payment methodology to critical access hospitals using medicare reasonable cost principles; (2) definition of critical access hospitals; and (3) exemption of critical access hospitals from medicaid reimbursement equity.

**Long-Term Care Services; Reimbursement Methodology. (SB2929, SD1, HD1, CD1)** Extends to July 1, 2008 the establishment of medicaid reimbursement equity between hospital-based and nonhospital-based rates for institutionalized long-term care. Repeals the sunset provision of Act 226, Session Laws of Hawaii 2000, regarding critical access hospitals, allowing for the following to be permanent: (1) payment methodology to critical access hospitals using medicare reasonable cost principles; (2) definition of critical access hospitals; and (3) exemption of critical access hospitals from medicaid reimbursement equity.

## **PROSTITUTION**

**Promoting Sex Tourism; Travel Agencies; Penalties. (HB2020, HD1, SD2, CD1)** Creates a criminal offense for promoting travel for prostitution, and makes it a class C felony. Prohibits travel agencies or charter tour operators from selling, advertising, or otherwise offering to sell travel services for the purposes of prostitution and provides that the travel agency registration may be revoked, suspended, or denied renewal for engaging in such services.

## **PUBLIC ASSISTANCE**

**General Assistance; Disability Qualifications. (HB2022, HD2, SD1, CD1)** Clarifies eligibility requirements for individuals with disabilities who receive general assistance benefits by allowing for the combining of physical and mental disabilities in the determination of eligibility. Requires the Department of Human Services (DHS) to issue a denial notice prior to the denial of the claim and provides for a ten calendar day period for the applicant to submit additional medical evidence. Requires the DHS to promptly provide a complete and legible copy of recommended appropriate treatment.

**Home and Community-Based Services. (SB2930, SD2, HD1, CD1)** Establishes that the Department of Human Services (DHS) shall replace home and community-based case management agencies as the authority to certify community care foster family homes. Extends the authority of DHS to license home and community-based case management agencies and the certification of community care foster family homes to 6/30/06. Adds the definitions of "assisted living facility", "client", and "designee". Amends the definition of "community care foster family home" by requiring that at least one adult patient be a medicaid recipient who is receiving the services of a licensed home and community-based care management agency. Establishes one statewide demonstration project in place of the two project structure based on county population. Restricts home and community-based case management agencies from entering agreements that community care and foster family homes exclusively accept the case management agency's clients. Requires DHS to adopt administrative rules to set forth standards for the operation of community care foster family homes, procedures for certification approval, and minimum grievance procedures for clients. Authorizes DHS to suspend or revoke the certification of a community care foster family home for noncompliance with adopted rules, provided that: (1) the suspension or revocation is immediate when existing conditions constitute imminent danger to life, health, or safety of those receiving care; (2) clients and case managers are notified; (3) the

community care foster family home may appeal, but the appeal shall not stay the suspension or revocation; (4) DHS may reinstate the certification if it is found that the home is willing to comply with the adopted rules; and (5) a revoked certificate may be restored after a new application is submitted. Authorizes DHS to monitor and evaluate, annually or biannually, any community care foster family home for compliance and quality assurance. Requires employees and operators of home and community-based case management agencies to undergo criminal history checks and adult abuse perpetrator checks if they are in direct contact with clients, and provide consent to conduct these background checks. Allows the Hawaii criminal justice data center to assess a fee for each criminal history record check. Requires DHS to submit a report on the impacts of these amendments to the 2006 Legislature.

**Pregnant Legal Immigrants; Medical Assistance. (SB2936, SD2, HD1, CD1)** Authorizes the Department of Human Services to provide state-funded medical assistance to pregnant women aged 19 years or older, whose family income does not exceed 185% of the federal poverty level for a family of applicable size, including the unborn child. Requires the pregnant woman to have immigrated to the United States by August 22, 1996, and to otherwise be eligible for benefits under the State's medicaid program but who is restricted from participating in any medical assistance program for a period of five years beginning on the date of her entry due to Title XIX of the Social Security Act and the Personal Responsibility and Work Reconciliation Act of 1996. Allows these pregnant women to remain eligible throughout a 60-day period following childbirth. Excludes asset evaluation for eligibility purposes. Requires the Director of Human Services to adopt administrative rules.

**Public Assistance; Administrative Appeals. (HB2023, HD2, SD2, CD1)** Clarifies that the hearing of the Department of Human Services' administrative appeals process consider all the evidence presented by the parties, to the extent allowed under the Hawaii Administrative Procedure Act, in a fair and impartial manner.

**Public Assistance Benefits; Motor Vehicle Insurance; Covered Loss Deductible. (HB2459, HD1, SD2)** Clarifies that a covered loss deductible shall not include benefits paid under any public assistance program.

## **Resolutions Adopted**

### **CHILDREN**

**Care Home Facilities for Needy Children of Hawaiian Ancestry. (SCR189)** Encourages the support of Malama O Kamalii Makamae in its efforts to develop care home facilities for needy children of Hawaiian ancestry who are 13 years old or younger.

**Healthy Start for Young Children and At-Risk Families; Statewide Interagency Task Force. (SCR45, SD1)** Extends, for one year, the Statewide Interagency Task Force (task force) created by SCR13 (2003), to further develop implementation plans for coordination and monitoring of services of at-risk families with newborns and infants. Designates the Director of Human Services and Director of Health, or their designees, as co-chairs of the task force. Authorizes the task force to further discuss preliminary recommendations and develop agreements between appropriate departments to execute recommendations; implement general plans for monitoring, assessing, and reporting on progress of overall goals; complete

discussions on topics that have been identified but have not addressed; and develop necessary legislation and report to the Legislature before the 2005 Regular Session.

**Prenatal Care; Medical Assistance Application; Audit. (SCR54)** Requests the Auditor to evaluate the Department of Human Services' expedited application process for pregnant women using the "Medical Assistance Application for Children and Pregnant Women Only" form that assists in the reduction of the wait period for Medicaid or QUEST enrollment and receiving prenatal care. Directs the Auditor to, among other issues, evaluate the current policy against the standard of presumption eligibility regarding timely access to prenatal care; a survey of public- and privately-funded prenatal care providers to determine satisfaction of the current policy; and impacts of the expedited policy against the timely review of applications that are not applying through the expedited process. Requests report to the Legislature before the 2005 Regular Session.

## **DISABLED PERSONS**

**Developmental Disability Providers; Payment Delays. (SCR106, SD1)** Requests the Department of Health and Department of Human Services to address the issue of prompt payments to developmental disability providers. Requests the departments to take immediate action on a status update on corrections to resolve the billing and claims processing; investigate alternative methods to expedite processing of claims to within 30 days upon receipt of the claim; provide immediate advance payment to providers whose claims are still unpaid; identify problems with short and long term solutions to expedite the processing of claims; identify statutes, rules, policies, and directives to encourage the timely processing of claims; define "timely" to mean a specific number of days; and determine whether to eliminate the prior authorization requirement. Requests the departments to submit a report to the Legislature on a quarterly basis during the interim beginning 7/1/04 regarding the progress and status of these tasks. Requests the departments to submit their findings and recommendations no later than 6/30/04.

**Small Business Development and Careers for the Disabled; Task Force. (SCR199, HD1)** Requests the Hawaii Workforce Development Council, University of Hawaii, and VSA arts of Hawaii-Pacific to jointly convene a task force to examine strategies to create access for persons with disabilities to small business development and careers in creative industries. Requests report to the Governor and the Legislature before the 2005 Regular Session.

## **OTHER ISSUES**

**Affordable Housing Task Force. (SCR135, SD1)** Requests the Housing and Community Development Corporation of Hawaii (HCDCH) to convene a task force for the development of solutions to the affordable housing shortage problem for both the ownership and rental markets. Specifies that the task force include representatives from state, county, and federal agencies, developers, financial institutions, the real estate industry, and housing advocacy organizations. Requests the task force to consider incentives for the development of affordable housing; acceleration of regulatory and permitting processes; infrastructure issues; implementation issues; and incentives for affordable housing financing. Requests that HCDCH to report to the Legislature before the 2005 Regular Session.

**Family Court; Misuse of Legal Interventions. (SR40, SD2)** Requests the Senate Committee on Human Services (committee) to convene interim hearings on the misuse of legal interventions available to family court such as long-term use of restraining orders; selection, use, and accountability of guardians ad litem and other court-appointed personnel; and other issues that impact the timely and fair resolution of cases. Requests that the committee consider relevant laws and policies from other states and consult with the National Council of Juvenile and Family Court Judges, the National Center for State Courts, and the National Children's Rights Council. Requests a report to the 2005 Legislature.

**Self-Sufficiency Standard; Utilization. (SCR81, SD1)** Requests that the Hawaii State Commission on the Status of Women (HSCSW) maintain the access and accuracy of the Self-sufficiency Standard (standard); with the assistance of other agencies, identify other areas where the standard may be used; and consider the effects of the identification of the gaps between actual income and self-sufficiency. Requests the Department of Business, Economic Development, and Tourism to assist the HSCSW in collecting, updating, and analyzing data and economic impacts. Requests the HSCSW to work with various agencies in developing the standard. Requests that all state agencies assisting low income households utilize this standard when feasible.

**Substance Abuse Treatment Facilities; Leasing Surplus State Land. (HCR211)** Requests the Department of Accounting and General Services (DAGS) to conduct a search for surplus state property to be leased to substance abuse treatment programs for the establishment of treatment facilities for recovering addicts. Requests the Department of Human Services (DHS) and Department of Health (DOH) to work with DAGS to search for federal funding and grants to assist in the development of these treatment facilities. Requests that DAGS, DHS, and DOH report their findings and any recommended legislation to the Legislature before the 2005 Regular Session.



# **JUDICIARY AND HAWAIIAN AFFAIRS**

---

*The Committee on Judiciary and Hawaiian Affairs has jurisdiction over programs relating to the courts; crime prevention and control, including juvenile justice matters; criminal code revision; statutory revision; campaign spending and elections; constitutional matters; the Attorney General, Public Defender, and the Judiciary; government records and information practices; individual rights and civil liberties; public safety and corrections; and Hawaiian affairs, including the Office of Hawaiian affairs, sovereignty, and Hawaiian homestead lands.*

## **Bills Passed**

### **CIVIL LAW**

**Attorneys' Liens; Judgments. (SB2443, SD1, HD1; Act 48)** Establishes provisions relating to attorneys' liens upon actions and judgments. Provides that an attorney shall have an attorneys' lien by law upon an action, suit, and proceeding that results in a judgment, decree, order, settlement, or award in the client's favor and on proceeds paid in satisfaction of those judgments, decrees, orders, settlements, or awards in the same action that the attorney represented the client. Establishes that such liens shall be for fees and compensation, reasonable value of services, costs advanced, and fees or commissions taxed or allowed by the court. Requires a notice of claim of the attorney's lien to be filed.

**Claims Against the State; Appropriation. (SB2834, SD2, HD2, CD1)** Appropriates funds to the Department of the Attorney General for the purpose of satisfying claims against the State due to overpayment of taxes, refunds, reimbursements, payments of judgments or settlements, or other liabilities.

### **CONTROLLED SUBSTANCES**

**Drug Demand Reduction Assessments; Monetary Assessments. (SB2748, SD1, HD2, CD1)** Amends Act 205, Session Laws of 1995, as amended by Act 7, Session Laws of 1996; Act 152, Session Laws of 1998; and Act 116, Session Laws of 2001, relating to drug demand reduction assessments special fund. Adds to existing law that any person who is convicted of an offense relating to drugs and intoxicating compounds, negligent homicide in the first degree, certain felony or misdemeanor offenses involving controlled substances and drug paraphernalia, consuming or possessing intoxicating liquor while operating or a passenger in a motor vehicle, storage of opened containers containing intoxicating liquor or consumption of intoxicating liquor at a scenic lookout, operating a vehicle under the influence of an intoxicant, habitually operating a vehicle under the influence of an intoxicant, or under the administrative revocation process shall pay the monetary assessment. Reduces the penalty for certain offenses to not more than \$250. Clarifies that interest accrued on funds collected shall be deposited into the drug demand reduction assessments special fund. Requires probation fees and crime victim compensation fees to be paid before monetary assessments. Provides that if a person is able to pay the monetary assessment and is eligible for probation or will not be sentenced to incarceration, the court may order a person to undergo a substance abuse treatment program (treatment program) at the person's expense. Provides that if the person undergoes the treatment program at the person's expense, the court may waive or reduce the amount of the monetary assessment. Provides

that upon a showing by the defendant that the defendant is unable to pay all or part of the monetary assessment, the court may waive or reduce the monetary assessment. Repeals the sunset date.

**Substance Abuse; Controlled Substances; Crystal Methamphetamine (Ice). (HB2003, HD1, SD1; Vetoed 4/30/04; Veto Overridden 4/30/04; Act 44)** Provides that any person convicted of manufacturing a controlled substance, knowing that a child under the age of 16 is present in the structure where the offense occurs, shall be sentenced to an additional term of imprisonment. Provides that a person commits the offense of unlawful methamphetamine trafficking if the person knowingly manufactures, distributes, dispenses, or possesses with intent to manufacture, distribute, or dispense one or more preparations, compounds, mixtures, or substances of methamphetamine, or any of its salts, isomers, and salts of isomers. Provides that a person age 18 or over commits the offense of promoting a controlled substance through a minor if the person knowingly employs, hires, uses, persuades, induces, entices, or coerces a minor to facilitate the illegal distribution of a controlled substance. Provides that a person commits the offense of promoting a controlled substance in, on, or near schools, school vehicles, or public parks if the person knowingly manufactures methamphetamines or any of its salts, isomers, and salts of isomers within 750 feet of the real property comprising a school or public park.

Provides that if a first-time violator of parole terms and conditions for possession or use of any dangerous drug, detrimental drug, harmful drug, intoxicating compound, marijuana, or marijuana concentrate, or involving possession or use of drug paraphernalia fails to complete a substance abuse treatment program, or the Hawaii Paroling Authority determines that the paroled prisoner cannot benefit from any substance abuse program, the paroled prisoner shall be subject to revocation of parole and return to incarceration.

Enacts the drug dealer liability law. Allows a parent, legal guardian, child, spouse, or sibling of the individual drug user, an individual who was exposed to an illegal drug in utero, an employer of the individual drug user, a medical facility, insurer, governmental entity, employer, or other entity that funds a drug treatment program or employee assistance program for the individual drug user, or a person injured as a result of the intentional, knowing, reckless, or negligent actions of an individual drug user to bring action to recover damages caused by an individual's use of an illegal drug.

Provides that prior to implementing any decision to exclude the child from attending school due to a possession, selling, consuming, or using intoxicating liquor or illegal drugs while attending school or Department of Education supervised activities shall be referred to and assessed by a certified substance abuse treatment counselor to determine whether the child needs treatment for substance abuse or dependency. Provides that services and benefits provided by health insurance plans including QUEST for drug and alcohol dependency shall be equal to and coextensive with health insurance coverage for physical disease and illness. Provides for civil commitment for substance abuse outpatient treatment. Allows family members to petition the family court for an order requiring a respondent to enter into an outpatient treatment program for substance abuse.

Provides that a drug rehabilitation home shall be considered a residential use of property and shall be a permitted use in residentially designated zones. Provides that any citizen who brings a nuisance abatement suit against a place used for the purpose of committing drug offenses or who files a complaint with the local police or drug nuisance abatement unit of



the Department of the Attorney General shall be entitled to the same rights and protections of victims and witnesses in criminal proceedings.

Requires the Department of Public Safety to coordinate drug abatement efforts of the communities with the State, counties, and community agencies. Requires annual report to the Legislature. Makes the provisions on parity treatment effective 7/1/05 and sunsets then on 6/30/11. Sunsets provision requiring coordinated drug abatement efforts and an annual report to the Legislature on 6/30/07.

**Uniform Controlled Substances Act; Updates; Regulation of Quantities of Certain Chemicals Distributed. (HB2206, HD1, SD1)** Establishes requirements, including purchaser identification and statement of use, for any manufacturer, wholesaler, or retailer who sells any quantity of sodium cyanide, potassium cyanide, cyclohexanone, bromobenzene, magnesium turnings, mercuric chloride, sodium metal, lead acetate, palladium black, red and white phosphorous, iodine, hydrogen chloride gas, trichlorofluoromethane, dichlorodifluoromethane, 1,1,2-trichloro-1,2,2-trifluoroethane, sodium acetate, or acetic anhydride. Amends provisions relating to the Uniform Controlled Substances Act. Includes the salts, isomers, and salts of isomers of ketamine and gamma hydroxybutyric acid and its salts, isomers, and salts of isomers in schedule III, as depressants. Requires the department of public safety to designate the chemicals temporarily added or deleted from the Uniform Controlled Substances Act based on federal law.

## **COURTS**

**Administrative Fees; Traffic Cases; Judiciary Computer System Special Fund. (HB2294)** Increases the fees for district court costs for processing traffic citations. Provides that one-half of the administrative costs collected shall be deposited into the judiciary computer system special fund.

**Appellate Court Costs; Appeals; Fees. (HB2299, HD1; Act 3)** Changes "supreme" court costs to "appellate" court costs for purposes of the fee for filing a notice of appeal to the supreme court. Requires the clerk of the court to immediately transmit a record of the payments and deposits, along with a copy of the notice of appeal, to the clerk of the supreme court. Requires the government official or body who is filing an appeal to transmit to the clerk of the court to which the appeal is taken the fees and notice of appeal. Repeals laws on appeal to supreme court and intermediate appellate court costs.

**Appellate Jurisdiction; Reform. (HB2301, HD1, SD1)** Amends provisions relating to appellate process. Changes the processes for assigning appellate cases by: (1) assigning all civil and criminal appeals from the district, family, and circuit courts and any agency to the intermediate court of appeals (ICA); (2) allowing the ICA to entertain an application, at any time prior to the issuance of a decision, requesting a transfer of the appeal to the supreme court, stating the grounds of imperative or fundamental public importance, with the ICA having discretion to transfer the appeal and the supreme court having the discretion to accept or reject the transfer; and (3) permitting a party to apply for a writ of certiorari to the supreme court to seek a review of a decision and judgment of the ICA, the acceptance or rejection of which shall be solely at the discretion of the supreme court. Effective 7/1/06.

Establishes within the Judiciary an appellate review task force to review proposed changes to the appellate system of the courts and make recommendations for implementation of proposed changes to the Legislature. Requires the Legislative Reference Bureau to provide technical assistance to the appellate review task force with legislative drafting and assist in drafting any legislation proposed by the task force.

**Court Fees; Judiciary Computer System Special Fund. (HB2292, HD1, SD1)** Provides that any fees prescribed by Supreme Court rule for electronic filing, signing, serving, certification, and verification of documents shall be deposited into the judiciary computer system special fund. Sunsets on 6/30/07.

**Credit and Debit Cards; Payments for Court Costs. (HB2296, HD1; Act 71)** Clarifies that the service fees incurred by the Judiciary for the use of credit or debit cards may be recovered from the user by imposing an additional convenience fee. Allows the use of debit cards for securing bail bonds.

**Delinquent Court-Ordered Payments; Collection. (HB2295, HD1; Act 77)** Allows the Judiciary to contract with a bonded collection agency or with a licensed attorney to collect any delinquent court-ordered penalties, fines, restitution, sanctions, and court costs. Requires attendant fees and costs to be added to the amount due and retained by the collection agency as payment, up to 50% of the amount collected.

**Family Court; Child Protective Services; Open Hearings; Non-Lawyer Advocates Allowed. (HB1980, HD1, SD1, CD1)** Allows family court judges, upon request of a party, the discretion to open child protective hearings to the public if it is in the best interest of the child. Allows non-lawyer advocates to accompany parties involved at the hearing unless the court determines that the presence of the advocate is not in the best interest of the child. Clarifies that the State shall not be responsible for any fees, costs, or expenses incurred or associated with the advocate. Clarifies that when appropriate, the child shall be instructed to the right to be represented by counsel and the right to remain silent.

**Judges; Disqualification; Pecuniary Interests. (HB2298, HD1; Act 5)** Amends the law on judicial disqualification to require more than a de minimis pecuniary interest to disqualify a judge from a case. Provides that no interests held by mutual or common funds, over which the judge has no direction, shall be considered pecuniary interests. Allows parties to waive disqualification due to any pecuniary interest after full disclosure on the record.

**Judiciary Supplemental Appropriations Act of 2004. (HB2300, HD1, SD1, CD1; Act 38)** Appropriates funds for the operating and capital improvement cost of the judicial branch for fiscal biennium 2003-2005. Increases the judiciary biennium operating budget \$500,000 for guardians ad litem in the first circuit court, \$345,705 for increased security at the first and second circuit court facilities, \$203,652 for equipment and two positions at the fifth circuit's new Kauai Judiciary Complex, \$300,000 for the final phase of human resources management systems project, and \$367,522 for a social worker, update of electronic equipment and other operating costs to increase the efficiency of the judiciary. Increases the judiciary capital improvement budget \$41,000,000 for the Hilo Judiciary Complex, \$450,000 for the Oahu juvenile detention home, Hale Hoomalu, and \$500,000 for the Oahu Children's Justice Center provided matching private funds are available.

**Uniform Guardianship and Protective Proceedings Act. (HB2297, HD1, SD2)** Repeals provisions relating to guardianship of minors, incapacitated persons, and persons under disability and enacts the Uniform Guardianship and Protective Proceedings Act. Clarifies the obligations and rights of individuals involved in guardianships by: (1) providing for the use of full guardianships and conservatorships as the last resort and making limited guardianships and conservatorships the preferred choice, by permitting the court to remove only those rights that the ward or incapacitated person cannot manage; (2) requiring the guardian or conservator to consult the ward or the protected person, when feasible, to make decisions, and requiring the guardian or conservator to encourage the ward or protected person to participate in the decision-making process as much as possible and to follow the ward's or protected person's expressed desires and personal values in making decisions; and (3) implementing the concept of a "standby" guardian, which is a person that a parent or spouse may appoint to be a future guardian when the need for a guardian is appropriate. Amends existing definitions and other general provisions to conform to the new Uniform Guardianship and Protective Proceedings Act. Creates fees associated with the establishment of a guardianship. Effective 1/1/05.

## **CRIMINAL LAW**

**Criminal Trespass; Squatting; Public Property. (SB2294, SD1, HD1; Act 50)** Provides that a person commits the offense of criminal trespass in the second degree if the person enters or remains unlawfully in or upon public property after a reasonable warning or request to leave made by the owner or lessee or their authorized agent or a police officer.

**Habitual Property Crime; Penalties. (SB2844, SD1, HD1; Act 49)** Creates the criminal offense of habitual property crime for a person who, within five years of the instant offense, has been convicted of three felonies, three misdemeanors, or any combination of three felonies and misdemeanors that are offenses against property rights and that occurred on separate incidents on separate dates. Provides that the offense of habitual property crime is a class C felony, with sentencing to an indeterminate term of five years imprisonment or five years probation with one year imprisonment.

**License Suspension or Revocation; Driving under the Influence of Intoxicants; Prior Offenses. (HB2251; Act 6)** Amends provisions relating to operating a vehicle after a license and privilege have been suspended or revoked for operating a vehicle under the influence of intoxicants to include convictions under prior "driving under the influence" laws.

**Solid Waste; Felony Disposal. (HB2375, HD1, SD1)** Creates a new felony offense for knowingly disposing or dumping, or arranging for the disposal of, more than 10 cubic yards of solid waste anywhere other than a permitted solid waste management system without written approval from the Director of Health. Provides that the disposal limit is reduced to one cubic yard for someone with two prior convictions, and also makes it a felony to so dispose of any quantity of solid waste if the removal and restoration costs exceed \$1500. Makes it a class C felony for violating the new provision and imposes a possible fine of up to \$50,000 for each separate offense. Provides first-time offenders cited for felony disposal of solid waste an opportunity to enter into a deferred prosecution agreement and have their arrest, indictment, or plea record cleared.

**Stalking; Jurisdiction. (HB2689; Act 18)** Provides that the family court has concurrent jurisdiction with the circuit court over the offense of aggravated harassment by stalking.

**Tobacco Products; Untaxed Cigarettes; Supersedeas Bonds. (SB2840, SD2, HD2, CD1)** Creates the offense of unlawful shipment of cigarettes. Provides that a person commits the offense of unlawful shipment of cigarettes if the person is engaged in the business of selling cigarettes and ships or causes to be shipped any cigarettes to a person that is not licensed or an export warehouse proprietor or an operator of a customs bonded warehouse, or ships or causes to be shipped any cigarettes in any container or wrapping that is not plainly and visibly marked "cigarette" other than the cigarette manufacturer's original container or wrapping. Exempts certain shipments. Provides that knowingly shipping: (1) 1,000 cigarettes or more unlawfully is a class C felony; and (2) less than 1,000 cigarettes unlawfully is a misdemeanor. Defines "ship" or "causes to be shipped," and clarifies the definitions of "dealer" and "distribute." Redefines "sale" to include any sale or act of selling that originates from any order that is placed or submitted by means of a telephonic or other method of voice transmission, the mail or other delivery service, or the Internet or other online service. Provides that any cigarettes, package of cigarettes, carton of cigarettes, or container of cigarettes unlawfully possessed, kept, stored, acquired, transported, delivered, sold, imported, offered, received, or distributed may be seized and confiscated by the Attorney General.

Establishes provisions relating to limitation on bond requirements in litigation involving signatories, successors, and affiliates to the tobacco master settlement agreement. Provides that in civil litigation under any legal theory involving a signatory, a successor of a signatory, or an affiliate of a signatory to the tobacco master settlement agreement, the total supersedeas bond to be furnished in order to stay the execution of the judgment during the entire course of appellate review collectively shall not exceed \$150,000,000.

**Urinating and Defecating in Public; Penalties. (HB1828, HD1, SD1, CD1; Act 84)** Creates the offense of urinating and defecating in public. Prohibits intentionally or knowingly urinating or defecating in a public place or any area where such act is likely to be observed by any member of the public within the boundaries of the downtown Honolulu area. Defines "downtown Honolulu area" and "public place." Exempts persons with medical conditions and persons using restrooms or toilet facilities designed for the sanitary disposal of human waste. Provides penalties of no more than 40 hours of community service work or a fine of not more than \$200. Sunsets on 12/31/09.

## **CRIMINAL PROCEDURE**

**Bail Jumping. (HB2685; Act 17)** Changes the standard for failing to appear in court from "intentionally" to "knowingly" failing to appear for the offense of bail jumping in the first and second degrees.

**Criminal Information Charging; Constitutional Amendment. (SB2851, SD1)** Proposes to amend the Hawaii constitution to allow a legal prosecuting officer to initiate felony criminal charges by filing a signed, written information under the conditions that the Legislature may provide.

**Criminal Information Charging; Procedure. (SB2861, SD1, HD2, CD1; Act 62)** Establishes statutory provisions relating to information charging. Allows criminal charges to be instituted

for specified class B and C felonies by written information signed by a legal prosecuting officer. Requires the legal prosecuting officer to attach exhibits demonstrating probable cause. Requires the court to review the information to determine if there is probable cause that the defendant committed the offense or offenses charged. Permits the defendant to move to dismiss the information on the grounds that the information and its attachments do not demonstrate the existence of probable cause. Allows the defendant to introduce evidence at the hearing demonstrating the lack of probable cause. Clarifies that the State may appeal an order from a motion to dismiss an information charging. Clarifies that the defendant shall receive a copy of the charging document and all attached exhibits at the initial court appearance. Requires the prosecuting attorney of each county to maintain a record of all cases received and prosecuted by way of information, and requires a report to be submitted to the 2008 Legislature. Effective upon the ratification of a constitutional amendment allowing felony criminal charges to be initiated by the filing of a written information.

**Deferred Acceptance of Guilty and Nolo Contendere Pleas; Substantial Bodily Injury. (HB2683, SD1, CD1)** Excludes offenses involving substantial bodily injury from a deferred acceptance of guilty plea or deferred acceptance of nolo contendere (no contest) plea.

**Privileged Communications; Inadmissibility; Constitutional Amendment. (SB2846, SD1, HD2)** Proposes to amend the Hawaii constitution to permit the Legislature to provide by law for the inadmissibility of privileged confidential communications between an alleged crime victim and the alleged crime victim's physician, psychologist, counselor, or licensed mental health professional.

## **ELECTIONS**

**Absentee Voting; County of Kalawao (Kalaupapa). (SB3113, SD1, HD1, CD1)** Amends provisions relating to a request for absentee ballot by authorizing the clerk to mail an absentee ballot for each primary, special primary, special, general, and special general election to each registered voter who resides in the County of Kalawao (Kalaupapa).

**Campaign Spending. (SB459, SD1, HD1, CD2)** Prohibits fundraising on state or county property. Provides that it shall be unlawful for any person to solicit a donation of money or other thing of value in connection with an election campaign in a government facility that is used for the discharge of official duties by an officer or employee of the State or county. Excludes any government facility that permits use by nongovernmental organizations for a fee or with reservations. Defines separate segregated fund to mean an account set up by any corporation, partnership, labor organization, membership organization, trade association, cooperative, or corporation without capital stock that is used for the purpose of making contributions or expenditures to influence the nomination for election, or election of any candidate for political office or for an issue on a ballot. Requires all reports filed with the county clerk's office to be preserved by that office for four years from the date of receipt.

Amends provision relating to registration by establishing when a candidate shall file an organizational report. Amends provision relating to restrictions against transfer of campaign contributions. Prohibits a candidate, candidate's committee, or campaign treasurer from converting any campaign contribution for the personal benefit of any person. Amends provision relating to campaign contributions, and establishes limits as to persons making

donations. Allows any excess contribution to be returned to the original donor within 30 days from receipt or escheat to the Hawaii election campaign fund. Prohibits contributions from a corporation or business entity not doing business in this State, a labor union with fewer than 10 members who reside in this State, or a noncandidate committee that has received contributions of \$10 or more from 10 or more individuals registered to vote in this State during the 180 days prior to an election.

Amends provision relating to campaign contribution by state contractors by changing it to campaign contribution by government contractors. Provides that it shall be unlawful for any government contractor to make a contribution to any candidate or candidate's committee at any time commencing with any procurement activity conducted by a purchasing agency or notice of appropriation and ending with 24 months after either the termination of procurement activity or completion of any government contract. Provides that it shall be unlawful for any business against whom debarment or suspension proceedings are commenced to make a contribution to any candidate or candidate's committee at any time during the course of the proceedings, an administrative or judicial action and the period of debarment or suspension. Provides that it shall be unlawful for any person to knowingly solicit any contribution from any government contractor or business prohibited from making contributions.

Defines coordinated activity to mean any activity including anything of value provided by a person in connection with a candidate's nomination or election who is actively engaged in coordination with that candidate or agent of that candidate on any campaign activity in connection with an election in which such candidate seeks nomination or election to office. Amends the disposition of funds provisions to add residual funds. Requires that all candidates who withdraw or cease to be candidates, committees, or individuals who receive contributions but fail to file for nomination, within one year, to dispose of residual funds from private campaign contributions, including donation to a nonprofit or to a political party. Specifies that funds not returned to donors shall escheat to the Hawaii election campaign fund. Amends public funding provisions to require qualifying contributions from residents of Hawaii only, and eliminates the ability of candidates to obtain public funding for special primary or special elections. Provides that any person who knowingly or intentionally falsifies any report required with the intent to circumvent the law or deceive the commission shall be guilty of a class C felony. Effective 1/1/05, and not retroactive.

**Office of Elections and the Campaign Spending Commission. (HB267, HD2, SD2; Act 57)**

Allows the Office of Elections and the Campaign Spending Commission to communicate directly with the Governor and the Legislature, make all personnel decisions, purchase equipment without the approval of the department head, and be exempt from collective bargaining. Provides the Office of Elections the authority to hire their own attorneys. Establishes a new commission to oversee the Office of Elections.

## **PUBLIC SAFETY**

**Hawaii Paroling Authority; Nomination Panel. (SB2647, SD1; Act 24)** Replaces the Hawaii Correctional Association with the Hawaii Criminal Justice Association, and the Hawaii Council of Churches with Interfaith Alliance Hawaii, on the nominating panel for the Hawaii Paroling Authority.

**Prisoner Transportation and Housing; Appropriation. (SB2976, SD1, HD1, CD1; Act 65)** Makes emergency appropriation of \$300,000 to the Department of Public Safety for fiscal year 2003-2004 for additional transportation and necessary operation costs of housing inmates in the federal detention center in Honolulu or in mainland correctional facilities.

**Probation Services Fee; Interstate Compact; Compact Commission. (HB2293; Act 78)** Repeals obsolete language by providing that any defendant received for supervision pursuant to the Interstate Compact for the Supervision of Adult Offenders shall be assessed a probation services fee. Repeals part III of Chapter 353, Hawaii Revised Statutes, concerning the Interstate Parole and Probation Compact.

## **SEXUAL OFFENDERS**

**Public Access to Information; Offenses Against Children; Sexual Offenses; Constitutional Amendment. (SB2843, SD1, HD2)** Proposes to amend the Hawaii constitution to provide that the public has a right of access to registration information regarding persons convicted of certain offenses against children and persons convicted of certain sexual offenses. Proposes that the Legislature determine which offenses are subject to this provision, what information constitutes registration information to which the public has a right of access, the manner of public access to the registration information, and the period of time after which, and conditions pursuant to which, a convicted person may petition for termination of public access.

**Sexual Assault; Continuing Course of Conduct; Constitutional Amendment. (HB2789, HD1, SD1; Act 60)** Proposes amendment to the constitution to allow the Legislature to define what behavior constitutes a continuing course of conduct in sexual assault crimes. Reenacts statutory provisions relating to continuous sexual assault of a minor under the age of 14, to become effective upon ratification of the constitutional amendment.

**Sexual Contact; Sexual Penetration. (HB2254, SD1, CD1; Act 61)** Clarifies definition of "sexual contact" to include acts other than sexual penetration. Clarifies "sexual penetration" to include cunnilingus and anilingus, whether or not actual penetration has occurred. Amends provisions relating to sexual assault in the second degree by including "a person committed to the director of public safety." Provides that a person commits the offense of sexual assault in the third degree if a person, while employed in a State correctional facility or as a law enforcement officer, knowingly subjects to sexual contact with a person confined to a detention facility or a person in custody.

**Sex Offender Registration and Notification; Reporting Requirements; Task Force. (SB2842, SD1, HD4; Act 59)** Amends provisions relating to sex offender registration and notification. Amends the definition of "criminal offense against a victim who is a minor" to include crimes of child abuse involving sexual conduct, attempted sexual conduct, or a proposal to engage in sexual conduct. Provides that in addition to registration with the Attorney General and compliance with the sex offender registration and notification law for life, sex offenders shall register with the county police chief where the offender resides or is present, and provide a photograph, fingerprints, and registration information. Requires the offender to report in person to the police and take a new photograph every five years. Provides that intentionally or knowingly failing to comply with registration requirements is a class C felony, and that recklessly failing to comply with registration requirements is a misdemeanor. Clarifies offense of failure to comply with sex offender registration requirements by adding elements to the offense. Requires the judicial council of Hawaii to establish a task force to engage in a comprehensive review of public access to information regarding persons

convicted of sexual offenses. Requires report to the Legislature before the 2005 Regular Session.

## **TAX**

### **Tax Appeals; District Board of Review or Tax Appeal Court; Payments. (HB851, HD1, SD1, CD1)**

Provides that first-time tax appeals made to the District Board of Review or Tax Appeal Court may be made without payment of the tax so assessed.

**Use Tax. (SB2994, SD1, HD2)** Amends the use tax law by redefining "import" to include the importation of tangible property, services, or contracting owned, purchased from an unlicensed seller or however acquired, and the sale and delivery of tangible personal property owned, purchased from an unlicensed seller, or however acquired, by a seller who is or should be licensed under the general excise tax law from an out-of-state location to an in-state purchaser, regardless of the place where title to the property transfers to the purchaser. Redefines "use" to include control over tangible or intangible property by a seller who is licensed or should be licensed under the general excise tax law and who directs the importation of the property into the State for sale and delivery to a purchaser in the State, regardless of where title passes. Defines tangible personal property. Effective retroactive to taxable years after 12/31/1998.

## **OTHER ISSUES**

**Boards and Commissions; Sovereign Immunity. (HB2378; Act 16)** Provides that every board or commission established or placed within a principal department for administrative purposes or subject to the administrative control or supervision of the head of the department is an arm of the State and enjoys the same sovereign immunity available to the State.

**Club Cards; Identity Theft. (HB2674, HD1, SD1, CD1)** Enacts the retail merchant club cards law. Provides that no club card issuer shall request in a club card application, or require as a condition of obtaining a club card, that the applicant provide any personal information except name, address, and telephone number. Permits the club card issuer to ask for the last four digits of the applicant's social security number. Provides that no club card issuer may sell or share a cardholder's name, address, telephone number or any personal information to any unaffiliated third party, except if the club card issuer: (1) charges an annual fee; (2) allows only cardholders to make purchases; (3) provides a written statement that cardholder information may be shared with other businesses for marketing and that payment of an annual fee means the cardholder has agreed to allow the club card issuer to share cardholder information, and the card holder may opt out from cardholder information sharing; and (4) obtains written confirmation from unaffiliated third parties that shared information will not be transferred to any other entity. Prohibits club card issuers from requiring, as a condition of obtaining a club card, that the cardholder obtain the club card as an identification card for purposes of check cashing or credit. Excludes club card applications used for the dual purpose of club card membership and check cashing, check verification, or credit application. Allows a club card issuer to include on its club card application form a credit application to a designated credit card company and to transmit the credit application to the credit card company, if the credit application form is separately



identified as an option on the club card and the credit application clearly discloses that the cardholder is applying for credit with the designated credit card company. Requires each agency to make certified payroll records on public works contracts, not including social security numbers, available for public inspection and duplication during regular business hours. Provides that social security numbers are examples of information in which an individual has a significant privacy interest.

**Firearm and Ammunition; Transfer of Ownership; Restraining Orders. (HB2024, HD1; Act 4)**

Prohibits transfer of ownership of any firearm or ammunition by a person restrained by a restraining order or order of protection that is still in effect. Clarifies that anyone disqualified from the right to transfer ownership of a firearm or ammunition shall surrender or dispose of the firearm or ammunition as provided by law.

**Statutory Revision Measure. (SB2278; Act 10)** Amends, reenacts, or repeals various provisions of the Hawaii Revised Statutes and the Session Laws of Hawaii for the purpose of correcting errors, clarifying language, correcting references, and deleting obsolete or unnecessary provisions.

## **Resolutions Adopted**

### **I. Judiciary**

**Child Support Adjustments for Activated Military Personnel; Task Force. (SR41, SD1)**

Convenes a task force to study whether current child support laws should be amended to accommodate decreases in pay for activated military personnel. Requests the task force to convene by 8/1/04 and include representatives from the Department of Human Services, the Department of the Attorney General, the Judiciary, and the United States Department of Defense. Requests a report be submitted to the Legislature before the 2005 Regular Session.

**Correctional Facilities; Gender Responsive Environment. (HCR265, HD1)** Requests the Department of Public Safety and the Office of Youth Services to develop a plan for creating and implementing gender responsive environments at the Women's Community Correctional Center and at the Hawaii Youth Correctional Facility. Requests that the plan include topics on substance abuse treatment, parenting, anger management, marketable job skill development, educational opportunities, job training, and an ongoing training program for staff to foster a gender-sensitive environment for women and girls. Requests that the plan also includes a timeline for implementing the programs, as well as criteria for completing the each program and the maximum number of women and girls that can participate in each program. Requests the plan to be submitted to the Legislature before the 2005 Regular Session.

**Decriminalizing Non-Serious Offenses; Study. (HCR261, HD1, SD1)** Requests the Legislative Reference Bureau (LRB) to conduct a study to identify, review, and analyze all statutes and state rules that penalize misdemeanor or petty misdemeanor offenses with only fines, and non-serious offenses with imprisonment or fines in excess of \$1,000. Requests the LRB to recommend changes to the identified statutes and state rules that would make penalties more consistent with those imposed for decriminalized traffic infractions, eliminating the need to appear in courts for these non-serious offenses. Urges each county to review, analyze, and change county ordinances and rules that would also make penalties more consistent

with those imposed for decriminalized traffic infractions. Requests report to the Legislature before the 2005 Regular Session.

**Immigration Laws; Congressional Amendments. (SR50)** Urges the United States Congress to amend immigration laws to allow immigration authorities to exercise judicial discretion in deportation proceedings for aliens convicted of a crime, and allow a convicted alien to seek a waiver from deportation upon demonstration of successful rehabilitation.

**Sex Offender Registration; Public Access. (HCR267, HD1)** Requests the Department of the Attorney General (AG), with the cooperation of the county prosecutors, to commence immediate efforts to revive the internet sex-offender registry under Hawaii's Megan's Law. Requests the AG to submit a preliminary report to the Legislature on 9/30/04 and a final report to the Legislature before the 2005 Regular Session. Requests the report to include: (1) the criteria used to decide which offenders to pursue first for hearings; (2) the resources that are dedicated to pursuing hearings; (3) a chronology of the steps taken by the AG and the county prosecutor to use the hearing procedures to revive the internet sex-offender registry; and (4) the result of these efforts, including dates when hearings were commenced and completed and dates that registration information was or will be available to the public. Requests the AG to inform the Legislature, before any hearings are commenced but no later than 5/27/04, of its position on the extent the Public Defender is required to participate in the hearings process under Hawaii's Megan's Law. Requests the AG, Adult Client Services, and Hawaii Paroling Authority to work closely in expeditiously identifying high-priority candidates for the internet sex-offender registry. Requests the Judiciary to keep statistics on any hearings requested under Hawaii's Megan's Law.

## **II. Hawaiian Affairs**

**Haiku Stairs; Cease Easements for Access. (HCR199)** Requests the Department of Hawaiian Home Lands (DHHL), Department of Transportation (DOT), Department of Land and Natural Resources (DLNR), and Office of Hawaiian Affairs (OHA) not to issue any easements to the City and County of Honolulu for access to Haiku Valley and Haiku Stairs until all required permitting, necessary approvals, and conditional agreements are identified by the respective agencies and are followed by the City. Urges the DHHL to honor the requirements requested by its sister agencies before finalizing any agreements with the City. Urges the Directors of the DHHL, DOT, and DLNR, Chairperson of the BLNR, and the Chairperson of the Board of Trustees of OHA to submit a report of their findings, recommendations, and actions taken to the Legislature by 12/31/04.

**Native Hawaiian Knowledge Holders; Intellectual Property Rights; Recognition and Study. (SCR167; SR87)** Recognizes Native Hawaiian people as indigenous, traditional knowledge holders that have collective intellectual property rights. Urges the Department of Business, Economic Development, and Tourism (DBEDT) to conduct a study on the rights of the Native Hawaiian people as indigenous, traditional knowledge holders and the impact of western intellectual property rights on the cultural, social, and economic development of Native Hawaiian people. Requests DBEDT to work in collaboration with the Office of Hawaiian Affairs, the State Foundation on Culture and the Arts, Department of Commerce and Consumer Affairs, Department of Land and Natural Resources, and any other relevant state agency to conduct the study. Urges the University of Hawaii to adopt a Board of Regents policy that acknowledges: (1) the collective intellectual property rights of the Native

Hawaiian people and (2) that Native Hawaiian people retain equitable title to the State's biological diversity and biological resources on public lands. Urges the federal government to also recognize Native Hawaiian people and other native people within the United States as indigenous, traditional knowledge holders that have collective intellectual property rights that must be recognized by the United States Copyright Office and the United States Patent and Trademark Office.

# LABOR

---

*The Committee on Labor has jurisdiction over programs relating to public officers and employees, labor, employment opportunities and training, labor-management relations, collective bargaining; the public employees retirement system, and the Hawaii public employees health fund.*

## Bills Passed

### I. Public Employment

#### CIVIL SERVICE

**Civil Service Status; New Century Conversion Charter School Employees. (SB2424, SD2, HD2, CD1; Act 63)** Requires civil service employees of the Department of Education (DOE) to retain their civil service status upon the conversion of their school to a new century conversion charter school. Requires positions in a new century conversion charter school that would be civil service positions in a DOE public school to be civil service positions. Requires a civil service employee at a new century conversion charter school who transfers employment to another civil service position to retain all of the rights, privileges, and benefits of continuous, uninterrupted civil service.

**Exempt Employees; Transfers and Promotional Examinations. (HB1786, HD1, SD2, CD1)** Authorizes employees in exempt positions who have satisfactorily performed work for at least six consecutive years to be eligible to apply for intra-departmental and inter-departmental transfers and intra-departmental and inter-departmental promotional examinations for which they meet the minimum qualifications. Allows experience in exempt positions to be considered as civil service experience in a comparable class in determining minimum qualifications. Repeals on 7/1/06.

#### COLLECTIVE BARGAINING

**Collective Bargaining; Employment Practices; Discrimination. (SB469, HD1)** Prohibits an employer or labor organization from refusing to hire, bar, or discharge from employment, withhold pay, demote, or penalize an employee who uses accrued and available sick leave in accordance with a valid collective bargaining agreement or valid employment policy. Provides that the term "employee" under this section includes an employee with a nonchronic condition of a short-term nature.

**Public Employees; Smoking in Public Schools; Prohibited. (HB2871, HD2, SD1)** Prohibits the use of tobacco in public schools and at public school functions. Requires the Department of Education to provide breaks throughout the day to affected public employees during which they may smoke at locations off-campus. Requires the number and duration of such breaks to be subject to collective bargaining. Requires the Department of Education to provide a smoking cessation program for public employees who are interested in participating. Requires issues relating to the cost of the smoking cessation program to be subject to collective bargaining. Requires the federal Pro-Children Act to preempt collective

bargaining laws to the extent the federal act imposes mandatory restrictions on smoking in the workplace.

**Public Officers and Employees Excluded from Collective Bargaining; Salary Increases and Cost Items. (SB2556, HD1, CD2; Act 68)** Appropriates funds for salary increases and other cost items for excluded public officers and employees employed by the Office of the Auditor, Office of the Ombudsman, the Legislative Reference Bureau, and the Hawaii State Ethics Commission for fiscal year 2004-2005.

**Units (1) and (5); Emergency Appropriation for Salary Increases. (HB2446; Act 64)** Appropriates \$7,417,636 for the payment of collective bargaining salary increases that became effective in January 2003, but were omitted from the Governor's biennium budget proposal for 2003-2005, for Department of Education (DOE) employees within bargaining units (1), nonsupervisory employees in blue collar positions, and (5), teachers and other personnel of the DOE under the same pay schedule, including part-time employees working less than twenty hours a week who are equal to one-half of a full-time equivalent.

**Units (2), (3), (4), (6), (8), and (13); Appropriation for Salary Increases and Cost Items. (HB1043, SD1, CD1; Vetoed 5/3/04; Veto Overridden 5/3/04; Act 53)** Appropriates funds for salary increases and other cost items in the agreements negotiated with the exclusive bargaining representatives of collective bargaining units (2), supervisory employees in blue collar positions; (3), nonsupervisory employees in white collar positions; (4), supervisory employees in white collar positions; (6), educational officers and other personnel of the Department of Education under the same pay scale; (8), personnel of the University of Hawaii and the community college system, other than faculty; and (13), professional and scientific employees, who cannot be included in any of the other bargaining units, for fiscal year 2004-2005. Appropriates funds for salary increases and other cost items for state officers and employees of the Executive Branch, Judicial Branch, and Hawaii Health Systems Corporation who are excluded from collective bargaining, for fiscal year 2004-2005.

**Unit (5); Appropriation for Salary Increases and Cost Items. (SB2550, HD1, CD1; Act 75)** Appropriates funds for salary increases and other cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (5), teachers and other personnel of the Department of Education under the same pay schedule, including part-time employees working less than twenty hours a week who are equal to one-half of a full-time equivalent, for fiscal year 2004-2005.

**Unit (7); Appropriation for Salary Increases and Cost Items. (SB2551, HD1, CD1; Act 74)** Appropriates funds for salary increases and other cost items in the six-year agreement negotiated with the exclusive bargaining representative of collective bargaining unit (7), faculty of the University of Hawaii and the community college system, and their excluded counterparts, for fiscal biennium 2003-2005. Retroactive to 7/1/03.

**Unit (10); Appropriation for Salary Increases and Cost Items. (SB1302, SD1)** Appropriates funds for salary increases and other cost items in the arbitrated settlement agreement for members of collective bargaining unit (10), institutional, health, and correctional workers, and their excluded counterparts, for fiscal biennium 2003-2005.

## RETIREMENT

**Counties; Deferred Compensation Retirement Plan. (SB3106, SD1, HD2, CD1)** Authorizes any county to enter into an agreement with the State to extend the State's mandatory deferred compensation retirement plan to part-time, temporary, and seasonal or casual employees of the county. Requires a county to designate an agency to locally coordinate the plan. Authorizes the Department of Human Resources Development to levy fees on a county, pursuant to rules adopted in accordance with Chapter 91, Hawaii Revised Statutes, to cover costs incurred by the State as a result of the agreement.

**Defined Benefit Hybrid Contributory Plan; Class H Membership. (SB779, SD2, HD2, CD1)** Establishes a new defined benefit hybrid contributory plan, class H membership, within the Employees' Retirement System (ERS). Allows members in active service on 6/30/06, and individuals who return to service after 6/30/06, to elect class H membership. Provides for the conversion of class C membership for those electing to become class H members. Requires an employee contribution of 6% of a member's compensation to the annuity savings fund; except that sewer workers, water safety officers, and emergency medical technicians are required to make a 9.75% contribution. Provides that a class H member shall receive a service retirement allowance equal to 2% of the member's average final compensation for each year of credited service if the member has (1) accrued five years of credited service and attained the age of 62 years; (2) 30 years of credited service and attained the age of at least 55 years; or (3) the minimum years of service required for being a sewer worker, water safety officer, or emergency medical technician. Provides for disability and death benefits, pension allowance payment options, and other operational and administrative provisions that are substantially similar to classes A and C membership. Allows a member who has accrued fewer than five years of credited service to receive the member's entire accumulated contributions amount upon separation from service. Appropriates \$1,580,000 out of the investment earnings of the ERS for the implementation of the new hybrid contributory plan.

**Employer Contributions; Early Incentive Retirement Plan. (SB2873, SD1, HD2, CD1)** Requires the employer's contribution amount to the Employees' Retirement System, beginning in fiscal year 2005-2006, to be calculated at 15.75% of a member's compensation for police officers and firefighters, and at 13.75% of a member's compensation for all other public employees. Provides that the contribution rates are subject to adjustment under the following circumstances: (1) the actual period required to amortize the unfunded accrued liability exceeds 30 years; (2) the actual period required to amortize the unfunded accrued liability falls below the established benchmark funding period of 25 years; or (3) based on the actuarial investigation conducted in accordance with section 88-105, Hawaii Revised Statutes. Eliminates the separate computation of contributions for the Early Incentive Retirement Plan authorized under Act 212, Session Laws of Hawaii 1994.

**Federal Tax Limit on Compensation; Employees' Retirement System. (SB2878, SD2, HD2, CD1)** Requires the application of the federal tax limit on compensation effective 7/1/96, to be taken into consideration in determining pension benefits under the Employees' Retirement System's tax-qualified retirement plan. Requires payment of a nontax qualified benefit to members who accrued benefits prior to 7/1/04, based on annual compensation in excess of the limit set forth in section 401(a)(17) of the Internal Revenue Code of 1986, as amended (IRC). Establishes the nontax-benefit to be calculated as the difference between the pension benefit that would be payable at the earliest age the member could retire with an unreduced benefit, based on the member's years of credited service and the average final

compensation as of 6/30/04, and the tax-qualified pension benefit that would be payable at the earliest age the member could retire with an unreduced benefit, based on the member's years of credited service as of 6/30/04, and the average final compensation as limited by section 401(a)(17) of the IRC, as of the earlier of the earliest age the member could retire with an unreduced benefit or upon termination. Appropriates \$369,350 to fund the payment of nontax-qualified benefits.

**Federal Tax Qualification. (SB2879, SD2, HD2, CD1)** Requires the Employees' Retirement System (ERS) to conform to the requirements set forth under section 401(a) of the Internal Revenue Code of 1986, as amended (IRC). Incorporates the necessary provisions required for pension plans of state and local governments to qualify as tax-qualified plans under the IRC. Requires the Board of Trustees of the ERS to adopt any remaining required rules to facilitate qualification as a tax-qualified retirement plan under the IRC. Provides for expedited rulemaking authority by the Board of Trustees to comply with the requirements of section 401(a) of the IRC. Defines the term "compensation" to mean normal period payments of money for service, the right to which accrues on a regular basis in proportion to the service performed; overtime, differentials, and supplementary payments; bonuses and lump sum salary supplements; and elective salary reduction contributions under sections 125, 403(b), and 457(b) of the IRC. Amends the term "actuarial equivalent" to allow the compensation of the benefit to be based upon actuarial tables and other written assumptions approved by the Board of Trustees.

**Optional Retirement System; University of Hawaii. (SB2073, SD2, HD2, CD1)** Provides appointees of the Board of Regents of the University of Hawaii (UH) who are eligible for membership in the Employees' Retirement System (ERS) are eligible for participation in the Optional Retirement System of UH. Requires UH to make an annual contribution to the Optional Retirement System on behalf of an employee. Requires the State to remit to UH a contribution amount equal to six percent of the employee's compensation, taking into account any lag or smoothing arrangements in effect with respect to appropriations that the ERS receives from the general fund, in lieu of any contribution the State would have made to the ERS on behalf of the employee. Specifies that the State's annual contribution for any employee shall not exceed six per cent of \$100,000. Requires UH to pay for any contribution amount owed on behalf of an employee that is in excess of the State's contribution. Requires the Board of Regents to designate at least three investment vendors for the Optional Retirement System, based upon specified criteria. Prohibits an individual who elects enrollment in the Optional Retirement System from transferring from the Optional Retirement System to the ERS. Prohibits service under the Optional Retirement System from being creditable as service under the ERS.

**Service-Related Disability Compensation; Police Officers. (SB3018, SD2, HD1, CD1)** After 6/30/04, requires a member of the Employees' Retirement System who suffers from a service-related disability while serving as a police officer to receive a retirement allowance equal to two and one-half percent of the member's average final compensation for each year of credited service as a police officer. To qualify, requires the member to have at least ten years of credited service as a police officer; to be deemed permanently medically disabled to be a police officer by the employer's physician, as a result of a service-related disability; and to continue employment in a class A or B position other than as a police officer.

## OTHER ISSUES

**Compensation and Benefit Packages; Excluded Employees. (HB1919, HD1)** Requires adjustment to compensation and benefit packages for employees who are excluded from civil service to be at least equivalent to those provided under collective bargaining agreements for counterparts within the employer's jurisdiction.

**East-West Center Employees; Medicare Benefits. (SB3175, SD2, HD2, CD1)** Authorizes the modification of the State's existing agreement with the federal government in order to provide Medicare-only coverage, pursuant to Title XVIII of the Social Security Act, to employees of the Center for Cultural and Technical Interchange Between East and West, Inc. Requires the Center for Cultural and Technical Interchange Between East and West, Inc. to reimburse all appropriate agencies for any costs incurred as a result of the provisions of the benefits to its employees under this Act.

**Employer-Union Health Benefits Trust Fund; Retirees; Return to Service. (SB2355, SD2, HD2, CD1)** Requires the State or counties to pay the full base monthly contribution amount for health benefits plans for an employee hired prior to 7/1/96, who either transfers employment after 6/30/96, and accrues at least ten years of credited service, or has at least ten years of credited service prior to a break in service. Requires the State or counties to pay a monthly contribution amount for health benefits plans at specified percentages for an employee hired after 6/30/96, and prior to 7/1/01, who either transfers employment after 6/30/01, and accrues at least ten years of credited service, or has at least ten years of credited service prior to a break in service. Defines "break in service" as leaving state or county employment for more than ninety calendar days before returning to state or county employment. Requires the Board of Trustees of the Employees' Retirement System to establish a process for public employees to be notified of the retirement health benefits options provided herein.

## **II. Private Employment**

### **EMPLOYEE RIGHTS AND BENEFITS**

**Discrimination; Equal Pay; Task Force. (HB2025, HD3, SD2)** Prohibits employer from discriminating between employees on the basis of sex, through the payment of wages to employees at a rate less than that which the employer pays to employees of the opposite sex for equal work that requires equal skill, effort, and responsibility, performed under similar working conditions. Provides exceptions. Establishes a four-year pay equity task force within the Office of the Governor, beginning fiscal year 2005-2006, to review the 1995 Study of Wage Equity in Public Employee Bargaining Units 1 and 10, the 1987 study entitled, "A Job Evaluation Study of Selected Job Classes of the State and Counties of Hawaii," and any other relevant information. Requires the task force to submit recommendations annually to the Legislature on the need for funding or specific actions for correcting gender-based pay inequities that are revealed. Sunsets task force on 6/30/10.

**Family Leave; Parent-Teacher or Parent-Caregiver Conferences. (HB1780, HD1, SD1)** Limits the amount of paid leave that an employee may utilize to attend a mutually-scheduled parent-teacher conference or parent-caregiver conference to two hours per conference. Clarifies that an employee may attend a mutually-scheduled parent-teacher conference for any child from kindergarten to twelfth grade, irrespective of that child's age.

**Workers' Compensation Insurance and Liability Insurance; Pest Control Operators. (SB2895, SD1, HD1)** Authorizes the Board of Pest Control to require liability and workers' compensation



insurance verification for license renewals. Requires a pest control operator to obtain and maintain continuous workers' compensation and liability insurance coverage as a condition for licensure under the pest control operators law. Provides that failure to maintain the required workers' compensation or liability insurance shall result in the automatic forfeiture of the pest control operator license. Authorizes the restoration of a forfeited license only upon satisfactory proof of continuous or replacement insurance coverage. Requires a pest control operator to notify the Board of Pest Control upon the termination or cancellation of any required insurance coverage. Provides for an administrative hearing to review a license forfeiture.

**Workers' Compensation; Investigation and Prosecution; Recovery of Fees. (HB1374, HD2, SD2, CD1)** Authorizes the Insurance Commissioner to investigate a complaint and prosecute an action for workers' compensation fraud. Restricts the investigation and prosecution of workers' compensation fraud complaints brought against an insurance carrier, a self-insured employer, or a fully insured employer. Entitles a party to administrative penalties where that party successfully investigates and receives a determination that fraud has occurred. Authorizes the recovery of attorney's fees and costs by a person who is charged with fraud and a determination is made that fraud has not occurred, payable by the person or persons who initiated the charge and prosecuted the action. Prohibits the recovery of attorney's fees and costs resulting from a criminal action. Prohibits any person subject to administrative penalties in an action for fraud from being subject to double jeopardy. Repealed 6/30/06.

**Workers' Compensation Program; Emergency Appropriation. (HB2466; Act 39)** Appropriates funds for the state workers' compensation program, in the amount of \$3,055,896, for fiscal year 2003-2004, for the payment of workers' compensation claims against the State due to a deficiency in current funding levels based upon existing and anticipated costs.

**Workforce Development; Services for Citizens of the Freely Associated States. (SB214, SD3, HD2, CD1)** Authorizes Leeward Community College to develop a pilot program to provide services to citizens of the Freely Associated States (FAS), Micronesia, the Republic of the Marshall Islands, and the Republic of Palau, in the areas of Waipahu, Kalihi, and the Downtown/Lunalilo corridor. Provides that the program should work to ensure that necessary services are provided to FAS students to ensure their success in school through cultural education and integration, language, employment, training, and legal services. Authorizes the program to include services to: (1) ensure that students from the FAS are equipped with the necessary tools and skills to achieve success in school; (2) develop a comprehensive multidisciplinary community-based family support system for immigrants from the FAS; (3) address issues of cultural transition, through the promotion of cultural coherence and self-identification; (4) provide employment and training instruction to assist with job readiness, job placement, and job retention; (5) provide training for professional service providers; and (6) collect and disseminate information regarding successful methods for servicing FAS immigrants. Prohibits the use of state funds for the development and implementation of the pilot program; however, authorizes the utilization of private contributions and federal funding sought solely for the purposes of the Act. Requires Leeward Community College to report to the Legislature on the progress of the development of the program, including efforts to secure funding for the program, before the 2005 Regular Session.

### **III. Unemployment Issues**

**Dislocated Workers; Employer Notification. (HB2740, HD1, SD1)** Requires an employer to provide the Director of Labor and Industrial Relations and the employees with at least 90 days, instead of 60 days, written notification of a closing, partial closing, or relocation. Requires an employer who provides housing or housing assistance to its employees to provide the Director of Labor and Industrial Relations and the employees with at least 180 days written notification of the discontinuance or termination of housing or housing assistance. Provides that no written notification is required when the discontinuance or termination of housing or housing assistance is a result of an employee's resignation or termination for cause. Defines "housing assistance" as any stipend, subsidy, relocation fee, sub-market lease, or other financial assistance provided by an employer to an employee toward housing.

**Unemployment Insurance; Weekly Benefits. (HB1774, HD2, SD2, CD1)** Provides that, effective 1/1/04, an eligible unemployed individual shall be paid a weekly benefit in an amount equal to the individual's weekly benefit amount, unreduced for earnings received from employment for that week. Provides that should the payment of unemployment insurance benefits conflict with any federal law or jeopardize the receipt of federal funds, the Governor may revise the provisions and report such revisions to the Legislature during the next regular session.

## **Resolutions Adopted**

**Cleaner's Appreciation Day. (HCR251)** Declares 5/7/04, as Cleaner's Appreciation Day in the State of Hawaii in recognition of the efforts of those hard-working individuals who provide facilities maintenance and cleaning and custodial services throughout the State.

**DBEDT; Labor Supply and Demand Matrices; Educational Pipelines. (HCR112, HD1)** Requests the Department of Business, Economic Development, and Tourism and the Workforce Development Council to submit a report to the Legislature regarding the identification and development of industry clusters, the development of labor supply and demand matrices, and the expansion of the educational pipelines. Requests that the report also include recommendations on methods for the compilation of any relevant and necessary data and making compiled data compatible with other forms of data from economic, workforce, or educational research. Requests report to the Legislature before the 2005 Regular Session.

**DHRD; Delay of the Elimination of the Social Worker Series. (SCR127, SD1, HD1, CD1)** Requests the Department of Human Resources Development to delay the elimination of the Social Worker series for at least three to nine months until the Hawaii Chapter of the National Association of Social Workers, the Schools of Social Work of the University of Hawaii, Hawaii Pacific University, and Brigham Young University Hawaii, and the Hawaii Government Employees Association have had the opportunity to examine, coordinate, and consult with the Department. Requests that the examination include a review of the potential effectiveness of the reclassification of the Social Worker series to determine whether it will adequately address the social worker shortage throughout the State while ensuring that effective social services are provided. Requests the Schools of Social Work of the University of Hawaii, Hawaii Pacific University, and Brigham Young University Hawaii to jointly prepare a report on the examination after three months and after six months to the Chairs of the House Committees on Health and Labor and Public Employment and the Senate Committees on Human Services and Labor. Also requests the Department of Human Resources Development to report its findings to the Legislature after nine months.



**Department of Labor and Industrial Relations; Family Leave; Sick Leave; Enforcement of Act 44, Session Laws of Hawaii 2003. (HCR77, HD2)** Requests the Department of Labor and Industrial Relations (DLIR) to enforce the provisions of Act 44, Session Laws of Hawaii 2003, relating to family leave, in accordance with the intent of the Legislature. Requests the DLIR to report to the Legislature on: (1) the status of the adoption of rules confirming the Department's interpretation of "accrued and available sick leave" is consistent with the legislative intent and to define "accrued and available sick leave" to mean that accrued sick leave days in excess of the minimum required for a self-insured temporary disability plan are available for paid family leave; (2) the number of employers who are self-insured for temporary disability insurance who have been denied the use of sick leave for family leave purposes during the fiscal biennium 2003-2005; and (3) the number of employees covered by an employer's self-insured temporary disability insurance plan who have been denied the use of sick leave for family leave purposes during the fiscal biennium 2003-2005.

**Employee Free Choice Act. (SR77; HCR195)** Expresses the Legislature's support for the passage of the Employee Free Choice Act to enable workers to join unions and negotiate first contract without employer harassment. Urges the United States Congress to pass the federal legislation.

**Military Residential Communities Initiative; Local Contractors; Investigation of Piecework System and Rate-fixing. (SCR13; SR15)** Requests Hawaii's congressional delegation to ensure that at least 80% of federal expenditures on the Residential Communities Initiative remains in Hawaii through the utilization of local construction firms and laborers. Requests inquiry into the practice of rate-fixing or the use of the piecework system to circumvent the mandates of the Davis-Bacon Act. Requests action to ensure that local contractors are not underbid by mainland firms for Residential Communities Initiatives contracts.

# SCIENCE, ARTS & TECHNOLOGY

---

*The Committee on Science, Arts and Technology has jurisdiction over programs relating to astronomy, biochemistry, biomedicine, biotechnology, and other scientific research and development activities; culture, historic preservation, and the arts; and use of information storage, transmissions, processing, and telecommunications technologies by public agencies and institutions.*

## Bills Passed

### I. Communications

**Privacy; Digital Records. (SB2377, SD1, HD1, CD1)** Expands Hawaii's privacy laws by including digital records as part of the offense of violation of privacy. Expands offense of violation of privacy in the second degree by including photographs transmitted by phone. Exempts electronic communication service providers and remote storage services that disseminate, distribute, or transfer images in the ordinary course of business from criminal liability. Defines "electronic communication," "electronic communication service," "electronic communication service provider," "remote storage service," and "electronic communication system."

**Telemarketing; Do-Not-Call Provisions. (SB2902, SD2; Act 8)** Makes violations of the federally enacted Do-Not-Call provisions contained in the Telemarketing Sales Rule and Telephone Consumer Protection Act an unfair or deceptive trade practice under Hawaii law.

### II. Culture and Arts

**State Art Museum. (SB2380, SD1, HD1, CD1)** Authorizes the establishment of the State Art Museum (Museum) within the State Foundation on Culture and the Arts (SFCA). Identifies sources of operational funding for the Museum. Establishes a nonprofit organization, the Friends of the Hawaii State Art Museum (friends), to operate concessions in the Museum as well as assist in the work of the Museum, including the planning and development of museum programs. Applies funds generated by the friends to be used as supplemental funds for the Museum. Requires the SFCA to consult with the comptroller and affected agencies and departments in administering the art in public places and relocatable works of art program.

### III. Technology and Development

**Capital Investment; State Private Investment Fund; Economic and Business Incentives. (HB2396, HD2, SD2, CD1)** Enacts the State private investment fund law. Creates the fund under the Hawaii Strategic Development Corporation (HSDC). Specifies that the mission of the HSDC under the new law is to mobilize equity and near-equity capital for investment in such a manner that will result in a significant potential to diversify and stabilize the economy of the State. Authorizes the State to issue tax credits to the HSDC. Permits the HSDC to transfer a total of \$36,000,000 in tax credits, at a rate of no more than an aggregate total of \$12,000,000 per year, to assist emerging, restructuring, relocating, and expanding enterprises in the State. Clarifies that these tax credits are not exercisable before 7/1/05 and not after

7/1/30. Requires the HSDC and the Department of Taxation to develop a registration system to track both the issuance and transfer of tax credits as well as a certification system that permits the verification of any tax credits claimed.

Permits the HSDC to solicit investment plans from various investment firms for the investment of capital in a variety of seed and venture capital investments. Authorizes the HSDC, as part of its investment strategy, to guarantee loans, lines of credit, and other indebtedness and equity investments, and pledge or assign put options, as long as the HSDC obtains legislative approval prior to accruing any indebtedness.

Establishes the capital formation revolving fund (fund) within the HSDC to be utilized for capital formation. Requires an annual audit of the books and records of the Fund by the State Auditor.

Establishes a tax administration special fund (special fund) where moneys collected as fees assessed by the Department of Taxation for the issuance of comfort letters or certificates certifying tax credit claims for the high technology business investment tax credit as well as the tax credit for research activities are deposited.

Modifies the computer software component included within the definition of "qualified research" contained within the tax credit for royalties derived from patents, copyrights, or trade secrets to limit this credit to the development of computer software designed for ultimate use in commercial or business sale, lease, or license.

Extends the sunset provision for the technology infrastructure renovation tax credit to 12/31/01. Extends the sunset provision for the high technology business investment tax credit to 12/31/10 into the special fund. Establishes the "investment tax credit allocation ratio" and applies common law principles, such as the doctrine of economic substance and business purpose, to determine the validity of the tax credit claimed under this provisions.

Amends provisions relating to the tax credit for research activities. Specifies that only "qualified high technology businesses" are eligible for this credit. Defines a "qualified high technology business."

Increases the number of members and modifies the appointment process for the HSDC's Board of Directors.

Replaces the liberally construed language contained in Act 297, Session Laws of Hawaii 2000, with language requiring these provisions to be interpreted in a manner consistent with the intent of the Act.

Replaces the liberally construed language contained in Act 221, Session Laws of Hawaii 2001, with language requiring these provisions be interpreted in a manner consistent with the intent of this Act.

**Electricore, Inc.; SPRBs. (HB1756, HD2, SD1, CD1)** Authorizes the issuance, by the High Technology Development Corporation, of up to \$30,000,000 in special purpose revenue bonds to assist Electricore, Inc., a consortium of science and commercial partners, in the planning, design, construction, and operation of facilities for the development and production of unmanned vehicle systems, unmanned aerial vehicles, and technologies associated with integrated multi-use unmanned systems.

**High Technology Development Corporation; High Technology Special Fund. (SB2281, SD1, HD1, CD1)** Permits the High Technology Development Corporation (HTDC) to deposit moneys collected or received for projects under a contract for services into a private trust account maintained in any bank or financial institution. Permits the HTDC to deposit moneys collected to develop, manage, operate, and maintain non-HTDC projects, industrial parks, and facilities into a private trust account maintained in any bank or financial institution. Defines "private trust account in any bank or financial institution." Removes the high technology special fund cap of \$3,000,000.

**Townsend Capital, LLC; SPRBs. (HB2739, HD1, SD2, CD1)** Authorizes the issuance, by the High Technology Development Corporation, of up to \$100,000,000 in special purpose revenue bonds to assist Townsend Capital, LLC, a Maryland limited liability company, with financing the acquisition, construction, improvement, installation, equipping, and development of land, buildings, and other improvements to provide wet lab space and a biotech incubator near the University of Hawaii Medical School in Kakaako.

## **Resolutions Adopted**

**Chinese Lunar New Year Commemorative Stamps; Final Ceremony in Hawaii. (HCR47)** Encourages the United States Postal Service to host the final ceremony marking the release of the "Souvenir Sheet" of all twelve Chinese Lunar New Year commemorative stamps, designed by Clarence Lee, in Hawaii in January 2005.

**Hawaii Capital Cultural District. (HCR50, HD1, SD1)** Designates the area in Honolulu between Kalihi and Piikoi Streets, and Beretania Street and the Pacific Ocean, as the Hawaii Capital Cultural District. Encourages the maximum involvement and support of all public and private organizations to collaborate with the State Foundation on Culture and the Arts to sustain and promote culture and the arts in Hawaii.

**Institutional Network; Public, Education, and Government Access System. (SR58, SD1)** Requests the Department of Commerce and Consumer Affairs, the Department of Accounting and General Services, the University of Hawaii, the Department of Education, and representatives from the county governments to convene an intergovernmental committee. Requests that this intergovernmental committee, headed by the University of Hawaii, examine the current structure of the Institutional Network and the Public, Education, Government Access System and formulate a coordinated strategy designed to improve as well as expand both systems in order to meet expected future demand. Requests that the findings and recommendations of this intergovernmental committee be submitted to the Legislature as well as the various Public, Education, and Government Access System providers before the 2005 Regular Session.

**Island Burial Councils; Accountability. (HCR165, SD1; SR80, SD1)** Requests the Department of Land and Natural Resources (DLNR) to provide a list of recommended nominees for the island burial councils to the Governor in a timely manner. Requests the DLNR to provide an explanation to the Legislature regarding its failure to recommend at least two highly qualified candidates for the Maui/Lanai and Hawaii island burial councils to the Governor. Requests the Auditor to investigate DLNR's selection process for candidates to determine if there were deviations from statutory and administrative requirements. Recognizes the potential privacy concerns regarding the release of identifying information on the part of the Auditor during this investigation and requests that the Auditor obtain the consent of individuals in question

before releasing any identifying information. Requests the Auditor to report to the Legislature before the 2005 Regular Session. Requests DLNR to provide the Governor and make available to the public a list of candidates that DLNR has recommended for appointment to the councils since 1/1/03, and other information.

**Miss Hawaii; Official Honorary Hostess. (SCR28; SR16)** Designates Miss Hawaii, of the Miss America Scholarship Program, the official honorary hostess of the State of Hawaii during her term as Miss Hawaii.

**Open Source Software in State Government; Status Report; State Policy. (HCR83, SD1)** Requests that the Department of Accounting and General Services (DAGS) provide a status report on the current use of open source software applications within state government and adopt a state policy on the use of open source software applications within government agencies. Requests that DAGS submit a report of its finding and recommendations to the 2005 Legislature.

**Robotics Education. (SCR131, SD1; SR69, SD1)** Requests various state and county agencies, private businesses and organizations, as well as interested members of the community to meet and discuss the possibility of expanding robotics educational programs in Hawaii's public schools. Requests that this collaborative effort focuses on key issues relating to sustainability, financing, infrastructure, and educator professional development which are necessary to sustain and expand robotics based educational curriculum in Hawaii's public schools. Requires Department of Education to report to the Legislature before the 2005 Session.

**State Historic Preservation Division; Cultural Consultants and Monitors. (HCR181)** Requests the State Historic Preservation Division of the Department of Land and Natural Resources to study the feasibility of requiring construction projects to have cultural consultants and monitors on site. Recommends these cultural consultants be lineal descendents, if possible, or Hawaiian elders who will provide necessary guidance and serve as intermediaries with the community. Requests that a possible fee structure to compensate these individuals be analyzed as part of this study. Requires report to the Legislature before the 2005 Session.

**State Website; Online "fixIt" option. (HCR238)** Requests the Governor to implement an online "fixIt" system on the State website similar to the "fixIt" system found on the City and County of Honolulu's website. Provides that such a "fixIt" system would enable citizens to express their concerns, obtain answers to their questions or solutions to their problems, or be referred to the appropriate legislator, committee, or state or county department with this feature.



# TOURISM

---

*The Committee on Tourism has jurisdiction over programs relating to tourism, including the Hawaii Convention Center, the Hawaii Visitors and Convention Bureau, and the Hawaii Tourism Authority.*

## Bills Passed

### HAWAII TOURISM AUTHORITY

**Hiring of Attorneys; Hawaii Tourism Authority (HTA) Finances; HTA Executive Director; Sports Coordinator. (HB2608, HD1, SD1; Vetoed 5/3/04; Veto overridden 5/6/04; Act 58)** Allows the Board of Directors of the HTA to appoint or retain independent attorneys, who are exempt from the State's civil service and collective bargaining laws, for contract negotiations in which the Attorney General lacks sufficient expertise. Provides for the independent attorney to consult and work with the designated Deputy Attorney General assigned to HTA. Authorizes the HTA to fix the compensation of such attorneys. Exempts the HTA's accounts from the supervision of the Comptroller. Requires the HTA to provide financial information to the Comptroller for reporting purposes. Exempts the HTA from comptroller oversight of business and accounting forms. Increases the amount that the HTA may expend for administrative expenses from 3.5% to 5% of the tourism special fund. Changes the compensation package ceiling for the HTA Executive Director, from 15% of the 3.5% authorized for administrative expenses from the tourism special fund to 9% of the 5% authorized. Exempts the HTA Executive Director from the state retirement system. Allows the HTA to appoint a sports coordinator to provide management services for all sporting events supported by the HTA. Exempts the sports coordinator from the State's civil service and retirement system. Requires all interest and revenues or receipts derived by the HTA from any project or project agreement to be deposited into the tourism special fund. Appropriates \$8 million from the tourism special fund to correct a fiscal shortfall and strengthen the programs and operations of HTA. Requires the HTA to report to the Legislature on the expenditure of appropriated moneys by 1/15/05. Except for the appropriation and report, provides for a sunset date of 6/30/07.

**Tourism; Marketing Plan; New Product Development. (SB2394, SD1; Act 9)** Requires the Hawaii Tourism Authority (HTA) to include wellness, technology, agriculture and nature tourism in the development of new products. Defines the HTA's responsibility for creating a vision and developing a long-range strategic plan for tourism in Hawaii. Requires the HTA to update its tourism marketing plan every year.

### OTHER ISSUES

**General Excise Tax Exemption. (SB2396, SD1, HD1, CD1)** Provides a general excise tax exemption for all section 501(c) nonprofit organizations from all income derived from fees for convention, conference, or trade show exhibit or display spaces. Provides that vendor sales derived through the exhibit or display space at a conference, convention, or trade show are subject to the general excise tax.

**Hawaii Convention Center; Disclosure of Information. (SB2395, SD2, HD1; Vetoed 5/7/04)**

Would have exempted convention center booking records from disclosure until 10 days after the event occurred, except for disclosure to the Legislature.

**Tourism Special Fund; Aloha Aina Patrol. (HB2061, HD2, SD1, CD1; Vetoed 5/7/04)**

Would have established an aloha aina patrol under the jurisdiction of the county police departments consisting of police cadets and police service officers in aloha attire providing enhanced security and assistance to tourists and residents. Would have provided permanent funding for the patrols from the tourism special fund by redistributing the transient accommodations tax (TAT) revenues given to each county. Would have provided for quarterly distribution of the TAT by the state Director of Finance.

## **Resolutions Adopted**

**Haleiwa Town, Surfing Capital of the World. (HCR161)** Requests the Governor to recognize and declare Haleiwa Town as the Surfing Capital of the World.

**People's Republic of China Visitor Visas; Department of Homeland Security Immigration Program. (SR67, SD1)**

Urges the President of the United States to secure an Authorized Destination Status agreement with the People's Republic of China to allow visitor visas to the United States. Urges Premier Wen Jiabao to restore human rights to the citizens of the People's Republic of China, and to crack down on international illegal drug trafficking to the United States. Requests the Department of Homeland Security to postpone implementation of new immigration processing program until more staff is available to expedite the processing of foreign visitors to Hawaii.

# TRANSPORTATION, MILITARY AFFAIRS AND GOVERNMENT OPERATIONS

---

*The Committee on Transportation, Military Affairs, and Government Operations has jurisdiction over programs relating to air, water, and surface transportation; civil defense; military and veteran's affairs; state government operations policy, including procurement and government efficiency; ethics; county, federal, and foreign relations; and matters of concern to the counties.*

## Bills Passed

### I. Transportation

#### DRIVER LICENSING

**Commercial Driver Licensing. (SB2995, SD2, HD1, CD1)** Requires the examiner of drivers to complete a check of the applicant's driving record before issuing a driver's license to determine if the applicant is subject to any disqualification or license suspension, revocation, or cancellation under state law, and whether the applicant has a driver's license from more than one state or jurisdiction. Specifies record check procedures. Prohibits a commercial driver's license from being issued to a person while the person is subject to a disqualification or while the license is suspended, revoked, or canceled in any state. Requires the applicant to list the names of all states that the applicant has been previously licensed in the previous 10 years. Provides for disqualification when: (1) as a result of prior violations committed while operating a commercial motor vehicle, the driver's commercial driver's license has been revoked, suspended, or canceled, or the driver was otherwise disqualified; or (2) the driver caused a fatality through the operation of a commercial motor vehicle, including manslaughter and negligent homicide in any degree. Clarifies that the disqualification for two serious traffic violations applies to violations while operating a noncommercial motor vehicle only if the conviction results in revocation, cancellation, or suspension of the driver's license. Disqualifies a person from driving a commercial vehicle when the person's driving is determined to constitute an imminent hazard. Requires any disqualification to be transmitted to the Federal Motor Carrier Safety Administration and become part of the driving record. Requires the examiner of drivers to notify the licensing authority in the state where the person does not hold a driver's license but is licensed to drive in another state and is convicted of a violation in a commercial motor vehicle of any traffic law. Requires driving record information on convictions, disqualifications, and other licensing actions to be recorded and made part of the driver's record. Excludes commercial driver's license convictions from being expunged, deferred, or diverted. Requires the judiciary and the examiner of drivers to make available required information from any driver's record to the greatest extent possible to the statutorily authorized users. Requires convictions, disqualifications, and other licensing actions to remain on the driver's record for at least three years or longer as required under federal law. Prohibits the issuance of a conditional license permit to a person who holds a category 4 license or a commercial driver's license.

**Driver's License; Fraudulent Use. (HB1113; Act 2)** Prohibits the possession or display of a fictitious or fraudulently altered driver's license. Prohibits use of a false or fictitious name in

any application for a driver's license. Provides that no one shall knowingly make a false statement or knowingly conceal a material fact or commit fraud in the license application.

## **HIGHWAY SAFETY**

**Driving Under the Influence of an Intoxicant. (HB2250, HD2, SD2)** Provides that a person convicted of habitually operating a motor vehicle under the influence of an intoxicant shall be referred to the driver's education program for an assessment by a certified substance abuse counselor of the offender's substance abuse or dependence and the need for appropriate treatment. Requires the counselor to report to the court. Requires the offender to obtain appropriate treatment if the report establishes an abuse or dependency. Specifies that if the driver's license is revoked, a new license may not be granted until the expiration of the period of revocation determined by the court. Allows the court to order the offender to reimburse the county for costs of blood or urine tests. Adds the offense of habitually operating a vehicle under the influence of an intoxicant to other related sections within the law.

## **MOTOR VEHICLES**

**Motor Vehicle Alarm Systems; Excessive Speeding. (HB1770, HD1, SD2, CD1)** Establishes increased fines for each violation after the third violation for instances when a motor vehicle alarm sounds continuously for 5 minutes. Provides that an offense shall be a violation for which a police officer shall issue a summons or citation. Allows the court to revoke a driver's license for up to five years for operating a vehicle at a speed exceeding 90 m.p.h.

**Rental Cars; Motor Vehicle Rental Industry. (HB2630, HD2; Act35)** Repeals the prohibition against rental car companies paying, and officers, employees, agents, and representatives of the company from receiving, a commission for selling any specified or particular option for fuel charges.

**Street Rod Vehicles. (SB2021, SD1, HD2)** Expands definition of "street rod vehicle" to include modified vehicles manufactured before 1968 or their replicas manufactured after 1967. Requires street rod vehicles to be equipped with seat belt assemblies as provided by law. Limits new street rod vehicle identification numbers to 100 per year.

**Sun Screening Devices. (HB1987, HD1, SD1)** Increases the penalty for violation of the motor vehicle sun screening devices law. Assesses a penalty of \$250 to \$500 against the owner of the vehicle, and a penalty of \$500 to \$1,000 against the installer of the device, who is also required to reinstall free of charge a legal sun screening device or to reimburse the owner for the costs of obtaining a new device by another installer.

## **TRANSPORTATION FACILITIES**

**Airport Concession Relief. (SB3080, SD2, HD2, CD1)** Provides further economic relief to airport florist services, lei greeting services, and florist and lei greeting services by exempting them from specified bidding requirements. Allows the Governor, or the Department of Transportation as authorized by the Governor, to renegotiate airport concession leases with concessionaires, or to waive or modify a concessionaire's obligations under the airport

concession lease if the lease was in effect prior to September 11, 2001 and does not provide for adjustments to lease obligations in response to adverse economic circumstances. Repeals law on 7/1/05.

**Impact Fees; State Highway Improvements; Counties. (HB2703, HD1, SD2, CD1)** Enacts an impact fee law to authorize counties to assess, impose, levy, collect, and transfer to the Department of Transportation (DOT) impact fees for specified development for state highway improvements, with the prior approval of the Director of Transportation of a needs assessment to identify the kinds of state highway improvements for which the county may impose. Establishes the highway development special fund to be administered by the DOT, into which the impact fees are deposited to pay for state highway improvements. Upon request of a county, requires the DOT to refund to the county the impact fees transferred to the highway development special fund that have not been expended or encumbered for these purposes.

**Passenger Facility Charges. (HB2523, HD1, SD1, CD1)** Exempts the passenger facility charge special fund from: (1) the five per cent transfer for central service expenses; (2) the one per cent transfer for the works of art special fund; (3) reimbursements for departmental administrative expenses; and (4) the Department of Transportation required deposits into the airport revenue fund. Changes the "passenger facility charge revenue fund" to the "passenger facility charge special fund."

## **II. Military Affairs**

**Civil Air Patrol; Appropriation. (SB2045, SD2, HD1, CD1)** Appropriates \$50,000 for fiscal year 2004-2005 to the Hawaii Civil Air Patrol, on a matching dollar-for-dollar basis by the Hawaii Department of Defense, for operational expenses.

**Federal Impact Aid Moneys. (HB1908, HD2, SD1, CD1)** Allows the Department of Education (DOE) to set aside annually \$100,000 of federal impact aid moneys to establish and fund a full-time military liaison position and to fund the joint venture education program to facilitate interaction between the military community and the DOE.

**Housing Financing Programs. (HB2181, HD2)** Authorizes the Housing and Community Development Corporation of Hawaii to issue up to \$2 billion in bonds in connection with any program whose primary purpose is to provide housing for active or retired United States military personnel, their families, and other persons authorized by any branch of the U.S. military to reside in such housing.

**Military Communities; Businesses. (HB2662, HD1, SD1, CD1)** Authorizes the Department of Business, Economic Development, and Tourism to make loans to assist businesses located in communities near military installations to develop infrastructure to minimize the possibility of, or assist in the mitigation of, the adverse effects of the closure or reduction in capacity of a military installation. Appropriates \$100,000 for fiscal year 2004-2005 to provide loans to assist new and existing small businesses threatened by military base closures and realignments that encounter difficulty when seeking assistance through private or conventional lenders.

**Military Reservists; Income Tax Deduction. (HB1904, HD1, SD2, CD1)** Increases the income tax deduction for a member of the reserve component of the Army, Navy, Air Force, Marines, or Coast Guard, and the Hawaii National Guard, in an amount equivalent to pay received for

48 drills (12 weekends) and 15 days of annual pay, at Grades E-1 to E-5, after eight years of service. Applies to taxable years beginning after December 31, 2004 (for E-1), 2005 (for E-2), 2006 (for E-3), 2007 (for E-4), and 2008 (for E-5).

### **III. Government Operations**

#### **COMMUNICATIONS**

**Wireless Enhanced 911. (HB2883, HD2, SD2, CD1)** Establishes the enhanced 911 services for mobile phones (cell phone, cellular phone, hand held phone) law. Creates, in the Department of Accounting and General Services, a wireless enhanced 911 board. Establishes the wireless enhanced 911 fund to be administered by the board within the department for the purpose of ensuring adequate cost recovery for the deployment of wireless enhanced 911 service in Hawaii and administering the fund. Establishes a monthly enhanced wireless 911 surcharge of 66 cents per month imposed upon each commercial mobile radio service connection. Requires all providers and resellers to bill and collect from each of their customers the monthly surcharge. Allows each provider or reseller to retain 2% of the surcharges collected to offset administrative expenses and requires them to remit the remainder to the fund. Requires the wireless enhanced 911 board to submit an annual report to the Legislature. Requires all proprietary information to be retained in confidence.

#### **COUNTIES**

**Halfway Houses. (SB473, SD1, HD3, CD1)** Requires public informational meetings, to be held in the affected community, as a prerequisite to the issuance of a county zoning permit, for halfway houses for persons released from correctional facilities or mental health treatment facilities, or for persons receiving substance abuse or sexual offender treatment.

**National Association of Counties, 2005 Conference. (SB2404, SD2, HD1, CD1)** Appropriates \$50,000 for fiscal year 2004-2005 for the City and County of Honolulu, to be matched on a dollar-for-dollar basis, to host the 2005 National Association of Counties Annual Conference and Exposition to be held in Honolulu.

#### **PROCUREMENT**

**Procurement. (HB2136, HD1, SD1, CD1)** Specifies that the selection committee recommendations regarding the selection of a professional services provider are not to be overturned without due cause. Clarifies that debarment is not to be used for punishment and is to be used only in the public interest and to protect the government. Adopts procedures and standards modeled after the Federal Acquisition Regulations to guide application of the debarment and suspension provisions of the procurement code, which enumerates specified factors. Requires the procuring officer to verify that competitive sealed bid, competitive sealed proposal, professional services, small purchases, and sole source contractors comply with all applicable state business laws and are organized and registered under state law. Authorizes the Attorney General to waive in-state business, registration, and statutory employer requirements as needed to obtain legal services that are not available in the State. Repeals various statutory procurement exemptions from the

procurement code. Designates the University of Hawaii President as the chief procurement for University of Hawaii.

## **STATE GOVERNMENT**

**Board Members. (HB1765, HD1, SD1, CD1)** Specifies that the term of a state board member shall expire upon the failure to attend, without valid excuse, three consecutive board meetings duly noticed, where the absence caused a failure to obtain a quorum. Specifies that the validity of the excuse is to be determined by the chair or acting chair, and that expiration is effective immediately after the third consecutive unattended meeting and unexcused absence. Does not apply to ex-officio members or to a board of any political subdivision of the State whose authority is strictly advisory.

**Emergency Appropriation for Risk Management. (HB2354)** Makes an emergency appropriation and increases the spending ceiling of the state risk management revolving fund by \$1,550,000, to \$12,000,000, to pay for the prior year's losses and current losses that would exceed the current spending ceiling and appropriation with regards to repairing and replacing damaged or destroyed state facilities.

**Mandatory Ethics Training. (HB680, HD2, SD1, CD1)** Requires state legislators, elected members of the Board of Education, trustees of the Office of Hawaiian Affairs, Governor, Lieutenant Governor, and executive department heads and deputies to complete an ethics training course administered by the State Ethics Commission.

**State Government Appropriations. (SB1491, SD1, HD1, CD1)** Makes appropriations and provisos for expenditures for various state government programs and positions, for fiscal year 2004-2005 (see Budget Summary section for funding details).

## **Resolutions Adopted**

### **I. Transportation**

**Barbers Point Harbor; Increase in Depth. (SCR12, SD1; SR8, SD1)** Expresses legislative support for increasing the depth of Barbers Point harbor to 45 feet in a single dredging operation rather than in phases. Requests the Department of Transportation to seek federal matching funds for the dredging operations.

**Hawaii Superferry. (SCR149; SR79)** Expresses legislative support for the efforts of Hawaii Superferry, Inc. to establish an inter-island fast ferry service. Requests the Department of Transportation to assist in the expeditious planning and implementation of the fast ferry service. Requests the Public Utilities Commission to expeditiously process any required certification of Hawaii Superferry, Inc. Requests the U.S. Maritime Administration to expeditiously process Hawaii Superferry, Inc.'s application for a Title XI guarantee commitment for the construction and permanent financing of the fast ferry vessels, and urges Hawaii's congressional delegation to request the same.

**Kawaihae Harbor Access Road and Fence; Feasibility Study. (HCR179)** Requests the Department of Transportation (DOT) to study the feasibility of developing an access road on

the southern end of Kawaihae Harbor to provide access to boating facilities and beachfronts in the area. Requests that DOT study the feasibility of erecting a fence to separate the commercial side of Kawaihae Harbor from recreational and public activities and making any other improvements as necessary. Requests that DOT work with the local community to determine the best location for erecting the fence. Requests that DOT submit a report to the 2005 Legislature with cost estimates for: (1) surveying the southern end of Kawaihae Harbor; (2) erecting a fence to separate the commercial side of Kawaihae Harbor from recreational and public activities; (3) developing and constructing a public access road on the southern end of Kawaihae Harbor; and (4) making any other necessary improvements to facilitate these projects.

**Transfer of Vanpool Programs to Counties. (HCR171)** Requests the Department of Transportation to determine the advisability and feasibility of transferring the responsibility for operating the vanpool programs to the counties. Requests the departments in each county that oversee public transportation or general transportation matters to cooperate with and assist the Department of Transportation in this review.

## **II. Military Affairs**

**Deployed Hawaii National Guard and Military Reservists; Support. (SCR52; SR23)** Urges Hawaii's people and businesses to recognize the sacrifices being made by the Hawaii-based National Guardsmen and military reservists as they are deployed to active duty. Encourages state government and business leaders to return deposits for goods or services and otherwise financially accommodate the needs of deployed Hawaii National Guardsmen and military reservists to the extent practicable.

**Filipino Veterans Equity Act of 2003; Presidential and Congressional Support Urged. (HCR250)** Urges the President of the United States and the United States Congress to support the passage of the Filipino Veterans Equity Act of 2003, H.R. 677, which deems certain service in the organized military forces of the Government of the Commonwealth of the Philippines Scouts to have been active service for purposes of benefits under programs administered by the Secretary of Veterans Affairs for qualified Filipino veterans.

**Filipino Veterans of World War II. (SCR203; SR114)** Urges the United States Congress to support the passage of S. 68 to improve benefits of certain Filipino veterans of World War II and their surviving spouses, to extend full and equitable benefits, particularly health benefits, to Filipino veterans, considering their advancing age and poor health.

**Filipino World War II Veterans; Support. (SCR97; SR51)** Urges the President of the United States and the United States Congress to support the passage of H.R. 3587 into law, to amend the Immigration and Naturalization Act to give priority in the issuance of immigration visas to the sons and daughters of Filipino World War II veterans who are or were naturalized citizens of the U.S.

**Health Care Benefits for Veterans; Restoration. (SCR51)** Urges Hawaii's congressional delegation to support American veterans by supporting passage of S. 2065 and H.R. 3474, to restore health care benefits to retired members of the uniformed services.

**Korean Vietnam Veterans Memorial. (SR7, SD1)** Requests the Department of Accounting and General Services (DAGS) to design and erect an attractive and appropriate monument



for the Korean Vietnam Veterans Memorial on the grounds of the State Capitol. Requests DAGS to report to the Legislature before the 2005 Session.

**Long-Term Care Veterans Home in Hilo; Yukio Okutsu. (SCR181, SD1)** Requests the Governor to name the Veterans Affairs State Home, which is now being designed for construction on the campus of the Hilo Medical Center, as the Yukio Okutsu Veterans Care Home – Hilo, in tribute to Mr. Okutsu, in recognition of his distinguished service with the 442nd Regimental Combat Team and his receipt of the Congressional Medal of Honor during fighting on Mount Belvedere, Italy, in World War II.

**Veterans Benefits; Filipino Veterans of World War II; Congressional Support Urged. (HCR258)** Urges the United State Congress to support the passage of S. 68 to improve benefits for certain Filipino veterans of World War II, by extending full and equitable benefits, particularly health benefits, to Filipino veterans, many of whom are in advanced age and poor health.

**Veterans Benefits; Increased Funding. (SCR126; SR64)** Expresses the Legislature's utmost disappointment in the lack of support the current administration has shown toward veterans of our armed forces. Urges Congress to increase funding for the continuation and expansion of veteran's benefits and services.

### **III. Government Operations**

**Kiyono Kunitake State Recreation Area. (SR44, SD1)** Requests the Governor to rename the old Kona Airport State Recreation Area as the Kiyono Kunitake State Recreation Area, in honor of her outstanding efforts to preserve the pristine and beautiful old Kona Airport shoreline to ensure that the recreational needs of the Kona community would be served.

**Pledge of Allegiance. (SR19, SD1)** Requests the Pledge of Allegiance be respectfully recited at the beginning of the floor session of the Senate and House on the first session day of the week. Requests the Senate and House to adopt specified guidelines during the pledge. Requests the Senate President and House Speaker to lead the recital of the Pledge of Allegiance in their respective houses. Requests the Pledge of Allegiance to be added to the Order of Business of each house, prior to the invocation.

### **IV. International Relations**

**Sister-State Relationship with Hawaii; Rabat-Salé-Zemmour-Zaër, Kingdom of Morocco. (HCR36, HD1)** Authorizes and requests the Governor to take all necessary actions to establish a sister-state relationship between Hawaii and the state of Rabat-Salé-Zemmour-Zaër, Kingdom of Morocco, until 7/1/2009. Requests the Governor to report to the 2005 Legislature on the progress made to establish the relationship. Urges the U.S. Secretary of State, the embassy in Rabat, and the business community of Hawaii to assist in matters concerning sister-state relations. Requests that the state of Rabat-Salé-Zemmour-Zaër be offered the privileges and honors that Hawaii extends to its sister-states and provinces.

**Unified Buddhist Church of Vietnam; Support. (SCR18)** Congratulates the new leadership of the Unified Buddhist Church of Vietnam. Urges the Government of Vietnam to respect the right of all independent religious organizations to meet, worship, operate, and practice their

faith in accordance with Vietnam's own constitution. Urges the Government of Vietnam to restore freedom to all imprisoned Vietnamese citizens or under house arrest for practicing their faith, particularly the Most Venerable Thich Huyen Quang and the Very Venerable Thich Quang Do. Expresses that the Legislature is committed to promoting religious freedom in Vietnam, urges the U.S. Congress to pass the Vietnam Human Rights Act, and urges Congress and the executive branch to implement the recommendations of the U.S. Commission on International Religious Freedom. Urges the U.S. Embassy in Vietnam to closely monitor cases of abuse of religious belief and practice, routinely visit detained clergy members, especially those in need of medical care, and report to Congress on specific measures taken to protect and promote religious freedom in Vietnam.

**Vietnamese American Community's Flag Symbol. (SR11)** Recognizes the flag of the Vietnamese American community of Hawaii as being the goldenrod flag with three red stripes. Urges state organizations and the City and County of Honolulu to recognize and establish the manner in which the flag may be ceremoniously displayed on state premises.

# **WATER, LAND, AND AGRICULTURE**

*The Committee on Water, Land, and Agriculture has jurisdiction over programs relating to state planning, urban renewal, community development, land and water use, coastal zone management, land reclamation, fisheries and ocean resources, small boat harbors, and agriculture and aquaculture, including mariculture.*

## **Bills Passed**

### **I. Agriculture**

#### **DIVERSIFIED AGRICULTURE**

**Agribusiness Development Corporation; Staggered Terms. (HB2341, HD1; Act 29)** Provides for staggered terms for the board of directors of the Agribusiness Development Corporation by requiring that, beginning 7/1/05, the Governor reduce the terms of those initially appointed to provide for the expiration of an equal number of terms at intervals of one year.

**Aloun Farms; SPRBs. (HB2322, HD1, SD2, CD1)** Authorizes issuance of up to \$12,000,000 in special purpose revenue bonds to assist Aloun Farms in the planning, design, construction, and equipping of facilities for an agricultural processing plant.

#### **LANDS AND INFRASTRUCTURE**

**Agricultural Lands; Private Restrictions Prohibited. (SB2246, SD1, HD1)** Exempts agricultural leases and utility and access easements from the prohibition against private restrictions on agricultural uses and activities within state agricultural districts.

**Non-Agricultural Park Lands; Interdepartmental Land Transfers. (SB2820; Act 25)** Facilitates the transfer of non-agricultural park lands from the Department of Land and Natural Resources to the Department of Agriculture by deleting the requirement that the parcels be adjacent. Clarifies the limitations on changes to qualified and encumbered non-agricultural park lands transferred by the Department of Land and Natural Resources.

#### **OTHER ISSUES**

**Milk Control; Minimum Prices and Salvage Values. (SB2815; Act 20)** Provides timely public notification of price changes for milk by eliminating the requirement for the Governor's approval of orders amending the established minimum prices or salvage values of milk.

### **II. Lands**

#### **CONSERVATION AND PRESERVATION**

**Exceptional Trees; Tax Deduction. (HB1848, HD1, SD1, CD1)** Provides an income tax deduction of up to \$3,000 per tree for expenditures made during the taxable year to maintain exceptional trees on the taxpayer's property. Provides that to be considered an exceptional tree, it must be designated as such by the county arborist advisory committee. Limits the deduction from being taken more than once every three consecutive taxable years. Limits deduction to the amount of expenditures, excluding interest, deemed reasonably necessary by a certified arborist.

**Habitat Conservation Plans; Financial Flexibility. (SB2782, SD1, HD1, CD1)** Provides the Department of Land and Natural Resources and applicants for habitat conservation plans the same financial flexibility under state law as is afforded under the federal guidelines for those plans, by allowing the use of irrevocable letters of credit, insurance, surety bonds, other similar financial tools, or other means approved by the Board of Land and Natural Resources, to ensure that sufficient funds are available to monitor the protected species and minimize and mitigate the impacts of any taking of those species. Requires the moneys needed to implement the obligations of a habitat conservation plan or intended as security for funding of such a plan to be deposited into the Endangered Species Trust Fund.

**Natural Resources Violations; Department of Land and Natural Resources; Enforcement. (SB2968, SD1, HD1, CD1)** Ensures that the State's natural resources are protected effectively by: (1) establishing a new civil natural resources violations system that enhances the enforcement authority of the Department of Land and Natural Resources (DLNR) by allowing it to enforce minor violations of its rules administratively; and (2) expanding the enforcement authority of the DLNR by placing the Kahoolawe Island Reserve, cave protection, and all state lands and waters under its enforcement jurisdiction.

## **PLANNING AND MANAGEMENT**

**Civil Defense Sirens; Coastal Zone Management Exemption. (HB2439)** Expedites the construction, installation, maintenance, repair, and replacement of civil defense warning or signal devices and sirens by excluding those items from the definition of "development" and exempting them from the permitting requirements under the State's coastal zone management law.

**Hawaii Community Development Authority; Kalaeloa Community Development District; Maintenance of Properties. (SB2869, SD2, HD1)** Allows the Hawaii Community Development Authority (HCDA) to establish procedures for receiving and processing district-related complaints, conducting research, monitoring issues, and reporting findings in Kalaeloa. Provides the HCDA with investigative powers and the authority to publish its opinions and recommendations. Requires the HCDA to (1) provide notice to complainants and landowners regarding actions taken or not taken; (2) consult with landowners or persons being investigated; and (3) submit quarterly reports to landowners in the district.

**Office of Planning; Report to Director of DBEDT. (SB3025, HD1, CD1)** Clarifies that the Department of Business, Economic Development, and Tourism (DBEDT) has sole jurisdiction over the Land Use Commission, state planning, and the Hawaii State Planning Act. Prohibits the transfer of those functions by executive order to any other department. Requires the Director of the Office of Planning to report only to the Director of DBEDT.

**Public Lands; 999-Year Homestead Leases; Assignment. (SB2440, SD1, HD1, CD1)** Clarifies "family" for purposes of the assignment of 999-year homestead leases and certificates of occupation to include parent's siblings, children of a parent's siblings, and grandchildren of a parent's siblings.

## **WATER RESOURCES**

**Disposition of Impounded and Derelict Vessels. (HB1560, HD1, SD1)** Adds lien holders, operators of record, and documented owners of unauthorized vessels moored in state small boat harbors and offshore mooring areas to those entitled to notice of impoundment by the Department of Land and Natural Resources (DLNR). Raises the maximum appraised value for those vessels that can be disposed of without public auction from \$250 to \$5,000, provided public notice of intended disposition is given, if not previously included in a public auction notice. Provides that the owner, operator, or lien holder of an impounded or derelict vessel shall have 10 days after the receipt of the notice to request an administrative hearing in writing. Requires the administrative hearing to be held within five working days of receipt of written request and to be for the purpose of allowing the owner, operator, or lien holder to contest the basis for the impoundment given by the DLNR.

## **OTHER ISSUES**

**International Equestrian Facility; Feasibility Working Group. (HB2859, HD2, SD2)** Requires the Governor to convene a working group to study the feasibility of establishing a multi-purpose international equestrian facility consisting of public members representing the Department of Business, Economic Development, and Tourism; University of Hawaii; Department of Land and Natural Resources; Department of Agriculture, Animal Industry Division; each of the counties; and at least four private sector members representing the stakeholders in the equestrian community. Requires the working group to report its finding and recommendations, including proposed legislation, to the 2005 Legislature.

**Land Exchange; George Galbraith Trust. (HB1793, HD2, SD1, CD1)** Requires the Board of Land and Natural Resources (BLNR) and other appropriate state agencies to enter into negotiations with the George Galbraith Trust for a land exchange involving private lands north of Wahiawa, Oahu, owned by the Trust. Requires the BLNR to report the status of its negotiations to the 2005 Legislature.

**Public Access; Misdemeanor Penalty and Fines for Obstruction. (SB3044, HD1)** Creates the offense of obstructing access to public property if a person, by action or by installing a physical impediment, intentionally prevents the public from traversing a public right-of-way, a transit area, or a public transit corridor that leads to the sea, shoreline, or inland public recreational area. Provides examples of physical impediments, including gates, walls, security guards, and guard dogs. Specifies that this a misdemeanor offense punishable by a fine of \$1,000 for a second conviction and \$2,000 for any subsequent conviction after a second conviction.

## **Resolutions Adopted**

## I. Agriculture

**Agribusiness Incubator; College of Tropical Agriculture and Human Resources. (HCR260)** Requests the College of Tropical Agriculture and Human Resources of the University of Hawaii to develop and manage an agribusiness incubator in the Waialua District to further the development of agribusiness in Hawaii.

## II. Lands

**Economic Factors and Impacts; Conservation of Forestry and Agricultural Resources. (SCR85)** Urges the Department of Land and Natural Resources and the Department of Agriculture to consider and incorporate the importance of economic factors and impacts in the application of laws and adoption of rules and policies concerning the conservation of forestry and agricultural resources.

**Economic Impacts; Conservation of Forestry and Agricultural Resources. (SR42)** Urges the Department of Land and Natural Resources and the Department of Agriculture to consider and incorporate the importance of economic factors and impacts in the application of laws and adoption of rules and policies concerning the conservation of forestry and agricultural resources.

**Haiku Stairs; Access. (SR104, SD1)** Requests the City and County of Honolulu to take further action to prevent illegal entry to the Haiku Stairs until the issue of permanent access to the Haiku Stairs is finally resolved; and be mindful and sensitive to the needs of the surrounding neighborhoods in devising a permanent access route for the Haiku Stairs, especially near and around the Haiku Stairs, as to issues of parking congestion, trespassing, and vandalism, to ensure that these communities are no longer imposed upon when the Haiku Stairs are reopened. Urges the City and County of Honolulu to give direct participation to all interested parties in the development of any contingency plans for access to the Haiku Stairs. Requests the Mayor of the City and County of Honolulu to submit to the Legislature the current plans for opening the Haiku Stairs and Haiku Valley to the public, when this plan is finalized, but not later than twenty days prior to the convening of the 2005 Regular Session.

**Kaneohe Meadowland; Conservation Protection. (HCR54, HD1, SD1)** Requests the Hawaii Community Development Authority to transfer ownership of the Kaneohe meadowland (Heeia wetlands) to the State of Hawaii as public lands to be administered by the Department of Land and Natural Resources (DLNR) for the protection and enhancement of the natural and cultural resources of the wetlands. Further requests the DLNR to work with cooperating partners and the local community to protect and enhance the Heeia wetlands, as part of the Heeia ahupuaa.

**Land Exchange between State of Hawaii and Maui Land & Pineapple Inc. (SCR9, SD1, HD1)** Approves the land exchange between Maui Land & Pineapple Inc. (MLP) and the State, involving 1.455 acres of land located at Waikele, Oahu, Hawaii, identified as Tax Map Keys: (1) 9-4-166:01, (1) 9-4-166:02, and (1) 9-4-166:03, owned by MLP, and 226.545 acres of land located at Lahaina, Maui, Hawaii, identified as Tax Map Keys: (2) 4-3-01:05, (2) 4-3-01:06, (2) 4-3-01:07, and (2) 4-3-01:08, owned by the State.

**Land Exchange between State of Hawaii and Parker Ranch Land Trust. (SCR5)** Approves of the land exchange, previously approved by the Board of Land and Natural Resources, between the Parker Ranch Land Trust (Trust) and the State of Hawaii, of 4.988 acres of land located at Waimea, South Kohala, Hawaii, identified as Tax Map Key: (3) 6-7-02:portion of 17 owned by the Trust, and .780 acre of land located at Waimea, South Kohala, Hawaii, identified as Tax Map Key: (3) 6-7-02:portion of 15 owned by the State.

**Poamoho Camp; Eviction Delay Requested. (SCR99; SR53; HCR73)** Requests the Del Monte Corporation to continue the operation of Poamoho Camp in Wahiawa at least until December 2005, or to offer financial assistance to aid Camp residents in seeking housing solutions. Requests the Galbraith Estate to permit Camp residents to continue to reside in the Camp by entering into a lease agreement with the Poamoho Camp Residents Association, or another entity of the Association's choice, until at least December 2005, to allow the residents time to find housing solutions or affordable alternative housing.

**Renaming Heeia State Park to Lae O Kealohi State Park. (SCR209, SD1; SR120, SD1)** Requests the Department of Land and Natural Resources to rename Heeia State Park to Lae 'O Kealohi state park in order to restore the ancient place name and to reflect the historical use of the area.

**Spinner Dolphins; National Oceanic and Atmospheric Administration. (SR29, SD1)** Requests the National Oceanic and Atmospheric Administration to work cooperatively with the Department of Land and Natural Resources (DLNR) to: (1) ensure that dolphin-watching activities and other human interactions with Hawaii's spinner dolphins are managed in a manner consistent with the Marine Mammal Protection Act (MMPA) and community-based, marine mammal conservation, while also providing for economically optimal and socially acceptable levels of ocean use; and (2) effectively enforce the MMPA and other existing federal and state laws that protect Hawaii's spinner dolphins. Requests that priority be given to minimizing adverse impacts of dolphin-watching activities on other ocean uses, including fishing, recreation, tourism, transportation, and traditional Hawaiian practices.

**Stream Erosion; Heeia, Kealahala/Keolaa, Kawa, and Kaneohe Streams. (HCR255, HD1)** Requests the Department of Land and Natural Resources and City and County of Honolulu to seek the assistance of the Army Corps of Engineers to assist homeowners to prevent further erosion along Heeia, Kealahala/Keolaa, Kawa, and Kaneohe streams on Oahu, and to identify relevant sources of federal and state funding to repair and renovate the banks of those streams to prevent further erosion.

**Submerged Lands at Kaneohe, Non-Exclusive Easement. (SCR8, HCR13)** Authorizes the Board of Land and Natural Resource to lease a term, non-exclusive easement covering a 197 square feet portion of state submerged lands at Kaneohe, Koolaupoko, Oahu, Hawaii, to Dr. Richard K. S. Pang for maintenance of breakwater purposes.

**Submerged Lands at Spreckelsville, Wailuku, Maui; Non-Exclusive Easement. (SCR7)** Authorizes the Board of Land and Natural Resource to lease a term, non-exclusive easement covering a portion of state submerged lands fronting the property identified as Tax Map Key: (2) 3-8-02:25 at Spreckelsville, Wailuku, Maui, Hawaii, for purposes of maintaining rock groins.

**Waikane Training Area; U.S. Marine Corps. (SCR212; SR123)** Requests the federal government to: (1) conduct a thorough evaluation of the condition of a 187-acre parcel of land in Waikane Valley, acquired by the United States Marine Corps 33 years ago for military

jungle and live ordnance training, commonly referred to as the "Waikane Training Area," particularly with regard to environmental and ordnance-related hazards that exist on the property; (2) plan for and conduct as thorough a clean-up of the Waikane Training Area as is technologically possible, including the remediation or removal of all environmental hazards and contamination and removal of all practice and live ordnance; (3) conduct a post-clean-up environmental assessment of the Waikane Training Area evaluating the potential risks to human health and safety, for the purpose of determining the types of uses and activities that could appropriately be conducted on the property with minimal risk to potential users and the community at large; (4) return the Waikane Training Area to the State of Hawaii upon completion of the clean-up; and (5) appropriate sufficient funds to plan for, implement, and complete the rehabilitation and transfer of the Waikane Training Area. Also requests the members of Hawaii's congressional delegation to assist in seeking and obtaining the relief sought.

**Water Rights; "Blue Hole" Diversion; Kauai Island Utility Cooperative. (HCR124, HD1)**

Authorizes the Board of Land and Natural Resources to issue a lease of water rights to Kauai Island Utility Cooperative (KIUC) for the use of the "blue hole" diversion and portions of a water transmission system located in the Wailua section of the Lihue-Koloa forest reserve (Tax Map Key No. 3-9-01:1) for hydropower production purposes. Requests the KIUC to satisfy adequately those conditions stipulated by the Board of Land and Natural Resources in its current revocable permit and resolve issues such as emergency water allocation before the issuance of a lease.



# WAYS AND MEANS

---

*The Committee on Ways and Means has jurisdiction over programs relating to overall state financing policies, including taxation and other revenues, cash and debt management, and statewide implementation of planning, programming, budgeting, and evaluation; government structure and finance.*

## Bills Passed

### I. Fiscal Matters

**Agricultural Research and Market Development; Appropriation. (HB2009, HD1, SD1, CD1)** Appropriates \$500,000 to the Hawaii Farm Bureau Federation to pursue agricultural research and market development. Appropriates \$500,000 for the research programs of the College of Tropical Agriculture and Human Resources at the University of Hawaii to actively help Hawaii diversify its economy.

**Certificates of Deposit; Securities for Public Funds. (SB2529, HD1, CD1)** Authorizes the use of certificates of deposit issued through the Certificate of Deposit Account Registry Service to secure public funds.

**Compliance Resolution Fund Repeal; Transfer to General Fund; Establish Compliance and Regulatory Education Fund; Appropriation. (SB2525, HD1, CD1; Vetoes 4/27/04)** Would have repealed the compliance resolution fund and transferred the unencumbered balance to the general fund. Would have imposed thresholds for the modification of customer fees and required monthly reporting to the Governor and Legislature. Would have established the compliance and regulatory education fund to be supported by professional and vocational licensing fees. Would have appropriated \$4,200,000 to the compliance and regulatory education fund.

**Compliance Resolution Fund; Transfer to General Fund. (SB420, SD1, HD1, CD1)** Transfers \$10,000,000 from the compliance resolution fund to the general fund.

**Disaster Revolving Loan Fund; Emergency Appropriation. (HB2397, HD1, SD1; Act 67)** Makes an emergency appropriation of \$1,000,000 for fiscal year 2003-2004 from the state disaster revolving loan fund to provide disaster relief loans for businesses and individuals suffering damages from the heavy rains and flooding in December 2003.

**Drug Abuse Treatment, Drug Education and Awareness, Community-Based Substance Abuse Prevention and Drug Treatment Monitoring Programs; Appropriations. (HB2004, HD1, SD1, CD1; Act 40)** Appropriates funds for the following programs and services:

- \$9,000,000 in total to the Department of Health for adolescent substance abuse treatment programs, substance abuse prevention, and adult treatment services.
- \$3,172,419 in total to the Judiciary for expansion of the drug court program in the second and third circuits, including juvenile and family drug courts, and for the treatment of first time nonviolent drug offenders.

- \$200,000 in total to the Department of Public Safety for the canine drug interdiction program, for a needs assessment for adult substance abuse treatment services or the implementation of the substance abuse treatment monitoring program, and for coordination of community-based drug abatement and mobilization efforts.
- \$50,000 as a grant-in-aid to the Being Empowered and Safe Together Reintegration Program, for the establishment and continuation of services to provide a supportive environment that assists former incarcerated individuals to remain free from the influences, temptations, and dangers related to illegal drugs.
- \$300,000 from the environmental response revolving fund to the Department of Health for a study and analysis of the effects of clandestine methamphetamine laboratories on the environment (particularly ground water), disposal of toxic waste materials found at the site, disposal of the site itself, and recommendations for action.
- \$400,000 in total in matching funds from the emergency and budget reserve fund (rainy day fund) as a grant-in-aid of \$100,000 to each of the City and County of Honolulu, the County of Hawaii, the County of Kauai, and the County of Maui to fund grassroots community efforts to sustain their anti-drug campaigns, with no single nonprofit entity to receive more than \$5,000.
- \$400,000 in total from the rainy day fund as a grant-in-aid of \$100,000 to each of the City and County of Honolulu, County of Hawaii, County of Kauai, and County of Maui to fund community-based substance abuse prevention programs.
- \$350,000 from the rainy day fund to the Department of the Attorney General to expand the weed and seed program. Requires a steering committee to advise the program regarding the disbursement of funds and establishment of an account for the program.
- \$430,000 in total to the County of Hawaii for community adolescent drug prevention programs and community anti-drug efforts aimed at preventing crystal methamphetamine use.
- \$200,000 to the Department of Health for three full-time positions in the Alcohol and Drug Abuse Division to collect data and evaluate outcomes of a substance abuse treatment-monitoring program.
- \$100,000 to the Department of Human Services to coordinate the efforts of the Department of Health, the Department of Human Services, Department of the Attorney General, the Department of Education, county police departments, county prosecutors, the Judiciary, and community agencies to develop the drug endangered child protective program, and requires a report to the Legislature.
- \$100,000 to the Department of Public Safety for expansion of the KASHBOX substance abuse treatment program at the Waiawa correctional facility.

Requires the Department of Health to establish a statewide substance abuse treatment-monitoring program to determine the effectiveness of substance abuse treatment services and maintain accurate numbers of individuals receiving publicly funded substance abuse treatment. Requires the Office of Youth Services, the Judiciary, and the Department of Public Safety to collect the same information. Requires annual reports to the Legislature. Requires the Department of Health to annually report to the Legislature on the implementation of the statewide substance abuse plan.

**Executive and Judiciary Budgets; GO Bonds. (HB2280, SD1, CD1; Act 42)** Authorizes the issuance of general obligation bonds for the amounts appropriated in the Supplemental Appropriations Act of 2004 (HB1800, CD1; Act41) and the Judiciary Supplemental Appropriations Act of 2004 (HB2300, CD1; Act38) to finance projects. Limits the issuance of general obligation bonds to not more than \$460,896,000. Declares that the issuance of such bonds will not cause the State's debt limit to be exceeded at the time of issuance.

**Legislative Service Agencies; Appropriations for Expenses. (HB2585, HD1; Act 1)** Appropriates funds for FY 2004-2005 to provide for the expenses of the Legislature (\$5,256,084 - Senate; \$7,545,077 - House); the Auditor (\$3,186,672, including \$2,318,772 to defray expenses, \$717,900 for the State Ethics Commission, and \$150,000 for special studies and other special requests made of the Auditor); the Legislative Reference Bureau (\$2,573,589); the Ombudsman (\$813,948); the Legislative Information System (\$600,000 - Senate; \$600,000 - House); and the Legislative Broadcast Program (\$175,000). Appropriates \$3,013,125 of general revenues to be deposited into the audit revolving fund. Appropriates \$3,013,125 out of the audit revolving fund to the Auditor for the comprehensive annual financial report, and financial statements and audits of various state departments.

**Special and Revolving Fund Transfers to General Fund; Reduce Balance Ceiling. (HB2743, HD2, SD1, CD1; Act 43; Act 52 (Veto Override))** Transfers moneys in special and revolving funds to the general fund from: the animal quarantine special fund (\$800,000), agricultural loan reserve fund (\$900,000), stadium special fund (\$600,000), state motor pool revolving fund (\$1,000,000), state identification revolving fund (\$300,000), Medicaid investigations recovery fund (\$500,000), research subaccount of the tourism special fund (\$200,000), foreign-trade zones special fund (\$400,000), Aloha tower fund (\$750,000), Hawaii community development revolving fund (\$10,000,000), dwelling unit revolving fund (\$10,000,000), human resources development special fund (\$150,000), environmental response revolving fund (\$500,000), environmental management special fund (\$2,000,000), special land and development fund (\$3,000,000), and state highway fund (\$12,500,000). Limits to \$500,000 the balance allowed in the tobacco enforcement special fund and state parking revolving fund with any excess lapsing to the general fund.

**State Budget. (HB1800, HD1, SD1, CD1; Act 41)** Appropriates funds for the operation of Executive Branch agencies for fiscal year 2004-2005 (see Budget Summary section for funding details).

**State Funds; Interest Payable. (HB2749, SD1)** Repeals the cap on the interest payable to vendors by state and county government for late payment for goods and services purchased.

## II. Tax Matters

**Income Tax Withholding; Employer Liability. (HB2511, SD1, CD1)** Clarifies that for income tax withholding purposes, electronic funds transfers apply to annual tax liabilities that exceed \$40,000. Clarifies that employers whose tax withholding liability exceeds \$40,000 a year pay the taxes withheld to the Department of Taxation the following Wednesday if wages were paid on the immediately preceding Wednesday, Thursday, or Friday, or on or before the following Friday if wages were paid on the immediately preceding Saturday, Sunday, Monday, or Tuesday. Applies to payroll period beginning on or after 12/31/04.

**State Income Tax Law; Conformance with Federal Internal Revenue Code. (SB2983, SD2, HD1)** Updates Hawaii income tax laws to adopt and conform to the federal Internal Revenue Code (IRC). Provides that the exclusion of dividends from net investment income, the increase and extension of special allowance for certain property, and the election to expense certain depreciable business assets provisions of the IRC are not operative in Hawaii. Clarifies the requirements for filing tax returns by armed forces personnel serving in combat zones.

## III. Administrative Matters

**Business Action Center; Public Employees. (SB3182, HD1, CD1 and HB2748, SD1)** Grants civil service status to the employees of the Department of Business, Economic Development, and Tourism's Business Action Center.

**Deputy Directors and Special Assistants; Executive Departments; Appointment. (HB2741, HD1, SD1, CD1)** Requires departments to file a position justification with the Department of Human Resources Development prior to filling a deputy director or special assistant position. Exempts positions within the Department of Education and the University of Hawaii. Requires the Governor to report quarterly to the Legislature, beginning with the quarter ending 9/30/04, detailing specified information concerning this measure. Abolishes, as of 1/1/05, any deputy director or special assistant position that has been filled without complying with these requirements.

**Integrated Tax Information Management System. (SB2990, HD1)** Extends the repeal date from 7/1/04 to 7/1/05, for the Director of Taxation to retain tax revenues for deposit into the integrated tax information management systems special fund.

**Name Changes; Filing Fee Reduced. (HB2337, HD1, SD1)** Reduces the filing fee for petitions for name changes from \$100 to \$50.

# **BUDGET SUMMARY**

---

## **Overview**

Through the Supplemental Budget, H.B. No. 1800, C.D. 1, the Legislature has met its fiduciary responsibility to ensure the most prudent, efficient, and effective distribution of state resources. While the Legislature continues to affirm that government cannot be all things to all people, this budget provides for the priorities of the people of Hawaii while maintaining fiscal discipline.

## **COUNCIL ON REVENUES**

At its meeting on December 22, 2003, the Council on Revenues (Council) revised its general fund tax revenue growth rate forecast for fiscal year (FY) 2003-2004 from 6.2 percent to 5.2 percent, based on a review of tax revenue growth trends. Its forecasts for general fund tax revenues for FY 2004-2005 and beyond remained unchanged.

At its subsequent meeting on March 10, 2004, the Council reaffirmed its forecast of general fund tax revenues for FY 2004-2005 and beyond. The Council's rationale was that the factors that drive the economy--visitor arrivals, construction, real estate activity, and consumer spending--were all very strong.

Although the Council provided relatively unchanged projections, the Legislature could not ignore the extremely low tax collections received to date. While the economy appears to be growing rapidly, the cumulative growth rate in actual tax revenue collections to date is roughly 3 percent, a situation that troubles the Legislature.

## **ECONOMIC OUTLOOK**

As the effects of recent events such as the war with Iraq and the severe acute respiratory syndrome (SARS) outbreak have subsided, it appears that Hawaii's economy has stabilized and is beginning its progress toward recovery. According to the latest figures from the Department of Business, Economic Development, and Tourism, unemployment in the State fell to 3.9 percent in January, and an all-time high of 603,200 workers are currently employed. Nominal personal income has risen by \$1,900,000,000, or 5 percent, and wages and salaries in the private sector grew roughly 6 percent.

Furthermore, factors are pointing to a recovery in the international stock markets. Indicators suggest that the corporate restructuring and governmental reforms in Japan's banking sector are allowing Japan to emerge from its decade-long economic stagnation. In the fourth quarter of 2003, Japan's economy expanded by 1.7 percent, its fastest growth rate in 13 years. As bad bank loans have been cleared out, investments in the securities markets have increased, allowing the benchmark Nikkei stock average to hit its highest closing point in 20 months. Despite the decrease in international arrivals, Hawaii has benefited from the strength of the yen relative to the dollar, as Japanese visitor spending has risen with increases in the purchasing power of the yen.

Although economic indicators seem promising, the Legislature recognizes the continued existence of risks in the geopolitical environment that could affect the economy at a moment's notice. The situation in Iraq remains extremely unstable, North Korea continues its provocative statements regarding nuclear arms, and the threat of terrorism is omnipresent. These factors could disrupt the global economy and affect the leisure travel that currently drives Hawaii's economy.

Despite the positive economic outlook, the Legislature is also concerned about the future impact of the diminished purchasing power of Hawaii's residents. According to the federal Bureau of Labor Statistics, the rate of inflation in Hawaii has risen 2.9 percent, exceeding the national average of 2 percent. Recently, the median price for a single-family home on Oahu rose to a record \$410,000. Regular gasoline prices have hovered around \$2 a gallon, 19.4 percent higher than in the second half of 2002.

The Legislature believes that the signs of economic recovery reflect prudent steps taken in recent years, which have set the stage for a vibrant, diversified economy. Continuing efforts to maintain tax reductions, protect our consumers, and streamline government remain critical to economic stimulation.

## **BUDGET SITUATIONS IN OTHER STATES**

### Budget Shortfalls

Many states expect to finish the current fiscal year with only one-tenth of the budget shortfalls they carried at this time last year, and 30 states estimate ending the year with a modest surplus. At the same time, some states are projecting more than \$35,000,000,000 in budget shortfalls for FY 2004-2005. To fill these gaps, states have increased fees, tapped into rainy day funds, and cut government services. They have also received some relief from federal allocations providing \$10,000,000,000 for state Medicaid expenses and \$10,000,000,000 for other purposes.

### Hawaii in Relation to Other States

According to the National Conference on State Legislatures, ten states, including Hawaii, have seen their fiscal health deteriorate since last November. Hawaii and 16 states reported that spending for Medicaid or other health programs continues to exceed prior budgeted amounts. In addition, these states are facing another round of budget shortfalls. Although budget shortfalls are less severe than in earlier years, the shortfalls are occurring at a time when many states, including Hawaii, have already depleted reserves, nearly exhausted one-time sources of funding, and imposed repeated budget reductions.

## **Budgeting Principles**

Early in the legislative session, the Director of Finance outlined the four budgeting principles that this Administration recommended in developing its spending plan:

- (1) *The State must learn to live within its means.*

- (2) *The budget should have structural balance.*
- (3) *The budget should adhere to sound budgeting principles and its presentations should be clear and simple.*
- (4) *The State must strive to establish fiscal stability and reduce fiscal stress.*

The Legislature generally agrees with these principles and developed its own Supplemental Budget and six-year general fund financial plan based on these shared principles.

## **Priorities**

The Legislature labored to craft a balanced budget that is responsive to the needs and demands of Hawaii's communities, while ensuring the availability of adequate resources to:

- Put students first by reinventing our public school system with a focus on the factors that truly improve student achievement;
- Fight the crystal methamphetamine (ice) crisis through comprehensive and balanced initiatives to toughen criminal laws, provide treatment and prevention services, and empower our communities; and
- Make prescription drugs affordable and accessible to as many as 300,000 persons who lack adequate medical insurance by approving the Hawaii Rx Plus Program.

## **REINVENTING OUR PUBLIC SCHOOL SYSTEM**

Providing the tools required to educate the children of Hawaii has been a focal point for the 2004 legislative session, during which the Legislature has carefully considered numerous proposals for education reinvention and improvement.

The results of a recent statewide survey by the *Honolulu Advertiser* mirrored what the Legislature feels is necessary to create true educational improvement. First on the list of priorities for improving education was providing enough textbooks for students, followed by creating smaller classes in the primary grades, making needed repairs to school buildings and equipment, providing computers for students, and giving principals more control over how money is spent. These widely supported, common sense approaches have also been identified by recognized education researchers as critical factors in improving student achievement.

These priorities reflect what the Department of Education (DOE) and the Board of Education (BOE) found to be vital components of their efforts and overall vision for improving public education in Hawaii. In an effort to support the DOE and the BOE's continuing efforts to improve and reinvent our schools, the Legislature funded many of the higher-priority items requested by BOE that were not included in the Governor's submittal.

BOE had asked the Governor to include an additional \$51,000,000 in the Executive Supplemental Budget. However, only \$3,700,000 was approved for submittal to the Legislature. The Legislature provided an additional \$26,000,000 for DOE in FY 2004-2005

to address the immediate needs of our schools and to further DOE's long-term plan and vision for public education.

The primary goal of the Legislature's educational initiatives is to provide the resources and the environment necessary for student achievement. Toward that end, the Legislature developed a comprehensive funding approach, making the following appropriations through this bill and S.B. No. 3238, C.D. 1:

- \$2,500,000 for math textbooks and learning materials, almost doubling the current appropriation for schools;
- \$2,143,350 to lower the class size for kindergarten, first grade, and second grade;
- \$1,743,900 to establish Parent-Community Networking Centers (PCNCs) at every school;
- \$480,000 for pay differentials and reimbursements for teachers who earn National Board Certification;
- \$264,769 for the Hawaii Teachers Standard Board;
- \$500,000 to increase the ability of the University of Hawaii College of Education to produce highly-qualified teachers and administrators for our public schools;
- \$460,000 for full-time high school student activities coordinators;
- \$211,140 for 15 additional school security attendants to provide increased campus monitoring and supervision at 13 schools;
- \$347,299 for equipment and resources for new facilities;
- \$12,262,811 to raise the federal fund ceiling to reflect increased federal revenues under the federal No Child Left Behind Act and the Individuals with Disabilities Education Act; and
- \$25,886,070 for charter schools, based on the per pupil formula established under Act 203, SLH 2003.

These appropriations represent the Legislature's continuing commitment to fund quality education in our public schools. The \$2,500,000 appropriated for textbooks boosts the total amount available to purchase textbooks and instructional materials statewide to over \$5,000,000 in FY 2004-2005. The \$2,000,000 appropriated to lower class size will allow 75 additional teachers to be hired and will bring more attention to students' needs, especially during their critical formative years in kindergarten and first and second grade. The over \$1,200,000 appropriated for teacher education and advancement will help to develop teachers of the highest quality, and the \$1,743,900 to expand PCNCs at every school will allow greater parent involvement in the education of their children.

While the Legislature believes that the complex area structure recently created to decentralize the old DOE district system will serve as an excellent base on which to build our educational reinvention efforts, more authority and accountability are needed at the school level. This authority and accountability should extend to school budgeting and expending funds.

It is the intent of the Legislature to empower principals to act as their schools' educational leaders and to work together with the school community. To accomplish this, the Legislature provided \$500,000 for a Hawaii Principals Academy, \$400,000 for recall days for principal training, \$183,780 for the Administrator Certification of



Excellence (ACE) program, \$400,000 for pilot school community councils and the development of academic and financial plans prior to statewide implementation of the weighted student formula, and \$350,000 for School Community Council training.

Hawaii is known for equity in public education funding, largely due to the State's organization under a single statewide district, which enables fair distribution of moneys to our public schools. In Hawaii, the poorest of communities receive the same level of resources as the wealthiest communities. In other states with local revenue sources, such as property taxes, there generally are large financial disparities between school districts in poorer neighborhoods and those in more affluent areas. To take the equity of Hawaii's public education funding one step further, the Legislature embraced a weighted student formula to allocate resources based on the needs of individual students, and to serve as the cornerstone of efforts to improve the delivery of educational services to our children.

To foster implementation of a weighted student formula, the Legislature provided \$10,000 to fund the operations of a Committee on Weights within DOE to determine student weights. \$2,000,000 has also been appropriated to facilitate field support, security and privacy, and training for the information technology infrastructure required to provide schools with a firm foundation for their reinvention efforts.

To help DOE prioritize school repair and maintenance expenditures and expedite their completion, the Legislature consolidated certain responsibilities that were divided among various state agencies. The user and expending functions and funds for school repair and maintenance were transferred from the Department of Accounting and General Services (DAGS) to DOE. This will streamline administration of these functions and allow DOE to better address one of the major concerns of the Legislature, BOE, DOE, parent, and teachers: the quality of the physical learning environment.

In summary, the Legislature worked with DOE and BOE to prioritize initiatives and successfully develop workable educational reinvention measures that address the needs of the children in our public schools. Over \$26,000,000 in additional funding has been provided to DOE for FY 2004-2005 along with initiatives that will reduce the bureaucracy that hinders school repair and maintenance, and the performance of public school functions. These measures represent only the opening notes of an educational initiative that will provide long-term benefits for our children and the people of Hawaii.

## **FIGHTING THE ICE CRISIS**

The Legislature recognizes and commends the work of the Joint House-Senate Task Force on Ice and Drug Abatement (Ice Task Force). The Ice Task Force traveled statewide to research the issues and listen to diverse communities. These communities told the Ice Task Force that the status quo is unacceptable. Over 6,000 ice users need treatment, and of these, fewer than 3,000 are able to access publicly funded treatment. The Ice Task Force found that women of childbearing age, pregnant women, parents with young children in the home, and Hawaiians are underserved, and should be given priority in receiving publicly funded substance abuse treatment.

The Legislature has identified additional resources to begin the serious effort required to deal with the crystal methamphetamine crisis that has burdened every community in our State. To respond to the call heard clearly from communities across the state, the Legislature appropriated funds, through H.B. No. 2004, C.D. 1, for a multi-pronged approach to the crisis. This approach improves and extends the State's drug use prevention, drug abuse treatment, and public safety programs.

Appropriations in H.B. No. 2004, C.D. 1, include:

- \$4,000,000 for adult treatment services;
- \$3,000,000 for school-based treatment programs in high schools and middle/intermediate schools;
- \$2,000,000 for substance abuse prevention;
- \$500,000 for treatment of first-time, nonviolent drug offenders and any such drug offender sentenced to probation under sections 706-622.5 and 706-625, Hawaii Revised Statutes;
- \$1,499,688 for the introduction of drug court programs in the second and third judicial circuits;
- \$1,200,000 for the expansion of drug court programs, including those of juvenile and family drug courts;
- \$400,000 as a grant-in-aid to the various counties to fund community-based substance abuse prevention programs;
- \$300,000 for a study and analysis of the effects of clandestine methamphetamine laboratories on the environment;
- \$125,000 for the coordination of community-based drug abatement and mobilization efforts;
- \$75,000 for the Canine Drug Interdiction Program; and
- \$100,000 in grants-in-aid to each county to fund grassroots community efforts to sustain their anti-drug campaigns.

## **INCREASING THE AFFORDABILITY OF PRESCRIPTION DRUGS**

The Legislature has supported the efforts to refine and improve the Hawaii Rx Program, renamed the Hawaii Rx Plus Program (Rx Plus) in S.B. 3237, C.D. 1. Rx Plus employs the purchasing power of consumers to negotiate lower prices and rebate agreements from pharmaceutical companies for residents who lack drug coverage under Medicaid or other government or private programs.

Rx Plus will provide drug coverage for people with incomes up to 350 percent of the federal poverty level, approximately \$75,880 for a family of four, or \$37,450 for a single person. Eligible Hawaii residents will apply for a Hawaii Rx Plus card and use it to qualify for reduced drug prices between 10 and 60 percent below the retail price at their local participating pharmacy.

The Legislature has put the people of Hawaii first by taking immediate action to address the issues of education reinvention, ice use abatement, and affordable prescription drugs—issues of primary importance to Hawaii's people.

In addition to providing the means to address the priorities of the people of Hawaii, the Legislature has also provided resources to address various other statewide concerns.



## **Department of Human Services**

The Legislature diligently reviewed the requests of the Department of Human Services (DHS) and arrived at equitable decisions based on departmental and public testimony. DHS is tasked with providing high-quality social services for those least able to help themselves. The Legislature acknowledges the importance of the employees and programs within DHS and the individuals whom they serve. Accordingly, the Legislature has provided the needed fiscal resources to continue funding critical social service programs including those serving individuals under QUEST, the Compact of Free Association, foster care, adult and community-based care, and services for the medically uninsured.

## **Department of Health**

The Legislature affirms its support for our most vulnerable populations, including those suffering from mental illness and substance abuse and reaffirms its commitment to ensuring that the health and safety needs of all of Hawaii's people are met despite the State's limited resources.

### **HAWAII HEALTH SYSTEMS CORPORATION**

The Legislature thoughtfully considered the need for the Hawaii Health Systems Corporation's (HHSC) level of general fund subsidy for FY 2004-2005. After much deliberation, the Legislature saw fit to fund HHSC's supplemental budget request of \$31,220,000 in general fund subsidy to support the State's twelve safety-net healthcare facilities. This general fund subsidy is in addition to the \$65,000,000 increase in special funds also approved by the Legislature. The Legislature readily acknowledges that the constraints placed on HHSC, coupled with the low reimbursements from payors and the absence of Medicaid Disproportionate Share Hospital payments, make it unrealistic to assert that HHSC should be self-sufficient. Furthermore, these factors and others have hampered HHSC from attaining long-term solvency.

The Legislature believes that great strides have been made by HHSC in resolving the myriad concerns and issues concerning HHSC that have plagued the Legislature the past few sessions. The Legislature recommends that the executives of HHSC provide a draft blueprint outlining HHSC's plan and including measurable outcomes. Once this draft blueprint for change has been outlined in detail, it should serve as the roadmap for HHSC.

The Legislature further recommends that HHSC's executives and board members collaborate, develop, and present to the Legislature within the next few months, prior to the 2005 legislative session, this detailed strategic action plan outlining HHSC's vision for its future. The Legislature embraces the notion that the time for positive change is at hand and looks forward to working with HHSC's management, board, patients, physicians, and other stakeholders in developing a viable plan of action that will empower HHSC with incremental increases of autonomy that will benefit both HHSC and the State.

## **Department of Education**

In addition to the funding appropriated for educational reinvention, the Legislature provided funding to help improve all aspects of a child's experience in Hawaii's public schools, the centerpiece around which all educational activities exist.

New and reassigned moneys will be used to make aggressive improvements to the State's school campuses and enhance the environment in which Hawaii's children learn. Placing these moneys under the control of DOE will also improve the overall efficiency and accountability of the DOE school repair program.

## **University of Hawaii**

The Legislature recognizes the University of Hawaii (UH) as an important component in transforming and diversifying the State's economy. The Legislature believes that UH will play a vital role in the current and future economic health of Hawaii and appropriated the funds necessary to achieve this goal.

## **Department of Public Safety**

The paramount concerns of the Department of Public Safety (DPS) for FY 2004-2005 include the need to address overcrowding conditions within correctional facilities, improve the physical condition of current facilities, and rehabilitate inmates before releasing them back into the community.

The Legislature worked to accommodate DPS's request for funds to transfer additional inmates to out-of-state facilities and the Federal Detention Center (FDC) despite fiscal constraints that were exacerbated by the increasing demands of other executive departments.

The Legislature believes that funding both housing and treatment for inmates will contribute markedly to the achievement of DPS's main objectives, which include tackling prison overcrowding, providing adequate inmate treatment and job development services, and most importantly, ensuring public safety.

## **Department of Defense**

The Legislature recognizes the important role of the Department of Defense (DOD) in providing safety, welfare, and defense statewide. To help fight the "War on Terror," the Legislature has provided DOD with key personnel and funding to continue the defense of these islands.

The Legislature believes that well-maintained military sites are necessary for the vigilant protection of our State.

## **Department of Transportation**

Hawaii's unique, isolated island environment makes it a potential target for terrorist attacks. To keep our nation safe, the United States Coast Guard enacted tougher security regulations for ports and harbors across the country. The Legislature approved additional funds to enhance security at various harbors to comply with these regulations.

## **Department of Land and Natural Resources**

The Legislature appropriated funds for the implementation of the Hawaii Invasive Species Council (HISC), a statewide pilot project coordinating invasive species prevention, control, research, and outreach programs. The Department of Land and Natural Resources (DLNR) will be the lead agency in this partnership that includes other state departments, as well as federal, county, and private entities, all working together toward this vital goal of preserving and protecting Hawaii's resources and natural beauty. HISC will assist in preventing new invasive species from entering the State as well as preventing the spread of existing invasive species. In addition to protecting Hawaii's fragile ecosystem, this program will save millions of dollars that would have been spent on the eradication and control of pests entering the State.

The Legislature recognizes the need to promote the safe and responsible use of Hawaii's natural resources, which is also the mission of the Division of Conservation and Resources Enforcement (DOCARE). The Legislature provided additional funds to cover the overtime expenses of DOCARE officers. This will ensure that even our isolated and remote areas are patrolled during holidays and weekends.

Hawaii's state parks are a resource for residents and tourists alike, offering educational opportunities, as well as a diversity of exotic coastal and inland experiences. As such, the Legislature believes an investment in Hawaii's State Park System is prudent. To this end, the Legislature provided an appropriation for improvements to state parks to enhance park users' experience of Hawaii's special environment and allow them to learn more about its unique development. Hawaii's state parks not only directly benefit the people of Hawaii through their use, but also serve as an economic development tool by providing a natural attraction for visitors to our islands.

## **Department of Accounting and General Services**

In preparing the budget for DAGS, the Legislature has sought to facilitate efficiencies in the use of state resources, focus on core programs, and provide for basic needs and services.

The Legislature increased the ceiling for the Surplus Federal Property Fund to take advantage of cost savings associated with the purchase of vehicles from the federal government's Fleet Sales Program. This increase will allow the department to adequately meet the needs of state and county agencies, eligible nonprofit organizations, and eligible 8A minority-owned businesses.

The Legislature also provided funds for the DAGS Physical Plant Operations and Maintenance Program, which supports the DOE by providing administrative, technical, and trades support to keep school buildings and facilities in good condition. The funding provided is for increases in maintenance contracts for air conditioning maintenance, elevator maintenance, and refuse pickup for eleven new schools that have opened since 1998.

The Legislature also provided an appropriation for increases for risk management mitigation services and coverage to ensure the protection of the State against catastrophic losses.

## **Department of Commerce and Consumer Affairs**

The Legislature provided adequate appropriation levels for the Department of Commerce and Consumer Affairs (DCCA). The levels greatly exceeded the levels formally requested by the Administration but were consistent with DCCA's reported requirements.

The methodology used by DCCA and the Legislature to determine appropriation levels was to take the recently completed FY 2002-2003 appropriations as a base spending level. The Legislature then added to this base all of the new spending initiatives that DCCA documented. When the DCCA was unable to document planned expenditures for programs up to the authorized levels for FY 2004-2005 provided by Act 200, Session Laws of Hawaii 2003, the Legislature converted the means of financing from special funds to the general fund and did not reduce the appropriation, despite the lack of justification for the appropriation levels.

The DCCA special fund known as the Compliance Resolution Fund was a major source of revenue for the department. The Legislature found that eliminating the special fund and instead using general funds as the source of the department's funding would streamline government and increase the department's public accountability. Therefore, through S.B. No. 2525, CD1, the Legislature repealed the compliance resolution fund and transferred the surplus balance of the compliance resolution fund to the general fund. DCCA's operating expenditures were then funded with a general fund appropriation. It was the hope of the Legislature that DCCA would exercise fiscal discipline to ensure that expenditures were not excessive and remain in line with revenues collected. In addition, the Legislature hoped that in the future DCCA would be more cognizant of the fact that if spending is contained then fees can be reduced accordingly.

Subsequently, the Governor vetoed S.B. No. 2525, CD1, returning a significant surplus balance into the special fund of DCCA and creating a general fund shortfall. In response to the Governor's action, and to ensure the fiscal stability of government operations, S.B. No. 1491, CD1 was passed which:

- Replaced \$501,714 of general fund appropriations for the Department of Hawaiian Home Lands (DHHL) with \$675,307 from the DHHL special fund;
- Restored \$2.7 million to fund vacant positions considered essential to efficient departmental operations;

- Appropriated \$30.7 million for the operating expenses of the DCCA from the Compliance Resolution Fund;
- Appropriated \$1 million of grants-in-aid to various service providers and community organizations;
- Provided a proviso requiring federal and county matching funds for the purchase of Pupukea-Paumalu forest reserve; and
- Provided a proviso authorizing the use of the Research and Training Revolving Fund or any other revolving fund for the operations of the new Kakaako medical school campus and university health science library.

## **Conclusion**

The Legislature has allocated the limited available resources of the State to meet its most critical needs, namely the reinvention of our education system, ice use abatement, and affordable prescription drugs. The appropriations of the 2004 Legislature comprise a thoughtful spending plan that reflects a balanced approach to addressing the important priorities of our communities without any tax increases.



# BUDGET SUMMARY *continued*

---

## All Executive Departments

	Act 200/FY05		FY05 Adjusted		HB 1800, CD1 FY05	
	Position	Amount	Position	Amount	Position	Amount
General	36,335.32	3,935,805,575	125.02	64,440,093	36,460.34	4,000,245,668
Special	6,953.95	1,459,613,764	(406.25)	121,972,413	6,547.70	1,581,586,177
Federal	2,147.06	1,347,565,230	(66.15)	69,065,564	2,080.91	1,416,630,794
Private	-	122,500	-	-	-	122,500
County	-	200,000	-	-	-	200,000
Trust	48.94	39,617,759	-	414,430	48.94	40,032,189
Transfer	156.35	654,672,039	(6.00)	(20,842,669)	150.35	633,829,370
Revolving	543.15	295,093,246	(14.00)	18,998,757	529.15	314,092,003
Other	67.00	11,196,360	6.00	7,567,960	73.00	18,764,320
All MOF	46,251.77	7,743,886,473	(361.38)	261,616,548	45,890.39	8,005,503,021

## Department of Agriculture

	Act 200/FY05		FY05 Adjusted		HB 1800, CD1 FY05	
	Position	Amount	Position	Amount	Position	Amount
General	238.50	12,763,975	(14.00)	(343,938)	224.50	12,420,037
Special	60.00	4,736,626	(3.00)	(199,868)	57.00	4,536,758
Federal	-	911,144	-	(59,232)	-	851,912
Private	-	-	-	-	-	-
County	-	-	-	-	-	-
Trust	-	663,600	-	125,000	-	788,600
Transfer	1.00	453,646	(1.00)	25,033	-	478,679
Revolving	14.00	10,636,172	-	(84,598)	14.00	10,551,574
Other	-	-	-	-	-	-
All MOF	313.50	30,165,163	(18.00)	(537,603)	295.50	29,627,560

### Additions:

- 2 positions/\$8,250 transferred for the new Agricultural Land Lease Program (Act 90, SLH 2003)
- \$125,000 in trust funds for the Plant Quarantine program
- \$100,000 in general and revolving funds for the Irrigation Revolving Fund

### Reductions:

- 19 positions/\$679,277 due to vacancy

## Department of Accounting and General Services

	Act 200/FY05		FY05 Adjusted		HB 1800, CD1 FY05	
	Position	Amount	Position	Amount	Position	Amount
General	828.00	76,029,481	(15.00)	(3,839,627)	813.00	72,189,854
Special	48.50	10,877,031	3.00	-	51.50	10,877,031
Federal	-	750,336	1.00	-	1.00	750,336
Private	-	-	-	-	-	-
County	-	-	-	-	-	-
Trust	-	-	4.00	4,423,489	4.00	4,423,489
Transfer	34.00	8,915,843	-	-	34.00	8,915,843
Revolving	45.00	20,670,184	(1.00)	648,966	44.00	21,319,150
Other	-	-	-	-	-	-
All MOF	955.50	117,242,875	(8.00)	1,232,828	947.50	118,475,703

### Additions:

- 4 positions/\$2.6 million for the transfer-in of the Office of Elections from Office of the Lieutenant Governor
- 4 positions/\$4.4 million in trust funds for the transfer-in of the Campaign Spending Commission from Office of Lieutenant Governor
- \$557,000 for maintenance contracts and refuse disposal at public schools
- \$205,000 for operating costs for the No.1 Capitol District Building
- \$700,000 in revolving funds for the purchase of used vehicles from Federal Fleet Sales program
- 4 positions converted from temporary to permanent: 3 positions for the State Art Museum and 1 Arts in Education Coordinator
- \$25,000 grant-in-aid for Hawaii Youth Symphony Association
- \$75,000 grant-in-aid for Hawaiian Legacy Foundation
- \$50,000 grant-in-aid for Honolulu Symphony Society
- \$50,000 grant-in-aid for Filipino Centennial Celebration Commission
- \$150,000 grant-in-aid for Maui Community Arts and Cultural Center (provided for in SB 1491 CD1)
- \$100,000 grant in aid for Filipino Centennial Celebration Commission (provided for in SB 1491 CD1)
- \$25,000 grant-in-aid for Friends of Waipahu Cultural Garden Park (provided for in SB 1491 CD1)
- 1 position/\$183,992 vacancy restored (provided for in SB 1491 CD1)

### Reductions:

- 25 positions/\$2 million due to vacancy
- 675,000 for costs previously incurred to prepare the Comprehensive Annual

Financial Report

- \$6.5 million transferred from DAGS' Physical Plant Operations and Maintenance to the DOE's Repair and Maintenance of School Facilities

## Department of the Attorney General

	Act 200/FY05		FY05 Adjusted		HB1800, CD1 FY05	
	Position	Amount	Position	Amount	Position	Amount
General	283.17	21,158,275	(2.00)	(42,608)	281.17	21,115,667
Special	15.00	1,442,959	-	-	15.00	1,442,959
Federal	140.04	25,341,681	-	-	140.04	25,341,681
Private	-	-	-	-	-	-
County	-	-	-	-	-	-
Trust	13.94	6,621,228	-	-	13.94	6,621,228
Transfer	40.85	6,879,698	-	-	40.85	6,879,698
Revolving	16.00	5,446,637	-	-	16.00	5,446,637
Other	-	-	-	-	-	-
All MOF	509.00	66,890,478	(2.00)	(42,608)	507.00	66,847,870

### Additions:

- \$11,880 for the Commission on Uniform Legislation

### Reductions:

- 2 positions/\$63,468 due to vacancy

## Department of Business, Economic Development, and Tourism

	Act 200/FY05		FY05 Adjusted		HB 1800, CD1 FY05	
	Position	Amount	Position	Amount	Position	Amount
General	128.75	18,428,596	(12.25)	(7,486,066)	116.50	10,942,530
Special	30.50	122,481,961	(2.00)	(301,102)	28.50	122,180,859
Federal	253.75	97,619,048	(249.75)	(61,990,798)	4.00	35,628,250
Private	-	-	-	-	-	-
County	-	-	-	-	-	-
Trust	-	14,008,563	-	(14,008,563)	-	-
Transfer	-	-	-	-	-	-
Revolving	67.00	14,221,944	(67.00)	(9,295,029)	-	4,926,915
Other	-	-	-	-	-	-
All MOF	480.00	266,760,112	(331.00)	(93,081,558)	149.00	173,678,554

### Additions:

- \$8 million increase in special fund ceiling for tourism marketing (provided for in HB 2608 SD1)
- \$22.9 million to reflect receipt of federal funds for electric vehicle demonstration project, technology development, coastal zone management, energy and business marketing
- \$1 million increase revolving fund ceiling for State Disaster Revolving Loan Fund
- \$400,000 in revolving funds to convert portion of Hawaii Community Development Authority operating expenses from GO bonds to revolving funds
- \$80,000 grant-in-aid for North Shore Country Market
- \$50,000 grant-in-aid for Hawaii International Film Festival, Inc.
- \$45,000 grant-in-aid for Community Entrepreneurs Foundation
- \$50,000 grant-in-aid for Chamber of Commerce of Hawaii – Military Affairs Council (provided for in SB 1491 CD1)

### Reductions:

- 324 positions/\$116.9 million to transfer the Housing and Community Development Corporation of Hawaii to the Department of Human Services
- 15 positions/\$412,418 due to vacancy

## Department of Budget and Finance

	Act 200/FY05		FY05 Adjusted		HB1800, CD1 FY05	
	Position	Amount	Position	Amount	Position	Amount
General	149.00	554,208,975	(6.00)	(26,124,242)	143.00	528,084,733
Special	43.00	7,170,476	(4.00)	(201,588)	39.00	6,968,888
Federal	-	-	-	-	-	-
Private	-	-	-	-	-	-
County	-	-	-	-	-	-
Trust	27.00	6,148,868	-	-	27.00	6,148,868
Transfer	1.00	580,435,330	(1.00)	(22,020,582)	-	558,414,748
Revolving	-	-	-	-	-	-
Other	67.00	10,453,380	6.00	7,567,960	73.00	18,021,340
All MOF	287.00	1,158,417,029	(5.00)	(40,778,452)	282.00	1,117,638,577

### Additions:

- Converted 6 temporary positions to permanent in the Employee's Retirement System
- Reauthorized \$7.6 million for implementation of new computer system for Employee's Retirement System
- \$1.6 million in general funds and \$2.3 million in interdepartmental transfer funds for increased State's share of Social Security/Medicare contributions
- \$150,000 grant-in-aid for Bishop Museum
- 2 positions/\$104,664 vacancy restored (provided for in SB 1491 CD1)

### Reductions:

- \$16.5 million for debt service
- \$11.6 million in interdepartmental transfer funds for debt service
- \$9.6 million in FY04 and \$22.6 million in FY05 to reflect projected savings in health benefit premiums
- 11 positions/\$476,388 due to vacancy
- \$450,000 to reflect interest rate assumption change

## Department of Commerce and Consumer Affairs

	Act 200/FY05		FY05 Adjusted		HB 1800, CD1 FY05	
	Position	Amount	Position	Amount	Position	Amount
General	-	-	276.00	29,366,309	276.00	29,366,309
Special	330.00	35,793,519	(273.00)	(29,141,767)	57.00	6,651,752
Federal	-	-	-	-	-	-
Private	-	-	-	-	-	-
County	-	-	-	-	-	-
Trust	4.00	1,726,946	-	289,430	4.00	2,016,376
Transfer	-	-	-	-	-	-
Revolving	-	-	-	-	-	-
Other	-	-	-	-	-	-
All MOF	334.00	37,520,465	3.00	513,972	337.00	38,034,437

### Additions:

- 3 positions/\$450,519 to convert temporary positions to permanent, and add fringe benefit and risk management costs
- \$180,000 increase trust fund ceiling for the Real Estate Education Trust Fund
- \$100,000 increase trust fund ceiling for the Contractors Recovery Trust Fund
- \$150,000 for Insurance Regulatory Services

### Reductions:

- \$150,000 from Regulated Industries Complaints Office



## Department of Defense

	Act 200/FY05		FY05 Adjusted		HB 1800, CD1 FY05	
	Position	Amount	Position	Amount	Position	Amount
General	144.80	9,325,187	(0.50)	187,770	144.30	9,512,957
Special	-	-	-	-	-	-
		9,571,420				
Federal	43.70		3.50	459,995	47.20	10,031,415
Private	-	-	-	-	-	-
County	-	-	-	-	-	-
Trust	-	-	-	-	-	-
Transfer	-	-	-	-	-	-
Revolving	-	-	-	-	-	-
Other	-	-	-	-	-	-
All MOF	188.50	18,896,607	3.00	647,765	191.50	19,544,372

### Additions:

- 3 positions/\$23,982 for Homeland Security and Civil Defense
- \$76,135 to match available federal funds for the Youth Challenge Academy
- \$195,250 for increased utility expenses for the Air National Guard and other statewide facilities
- 4 positions/\$127,316 in federal funds for maintenance support of new Army National Guard's Regional Training Institute, Bellows, AFS, Oahu
- \$10,000 to continue funding for Hawaii Veteran's Newsletter
- \$20,000 grant-in-aid 442nd RCT Foundation (provided for in SB 1491 CD1)

### Reductions:

- 4 positions/\$181,358 due to vacancy

## Department of Education

	Act 200/FY05		FY05 Adjusted		HB 1800, CD1 FY05	
	Position	Amount	Position	Amount	Positions	Amount
General	19,471.15	1,488,025,035	(36.00)	7,209,171	19,435.15	1,495,234,206
Special	728.50	39,358,220	-	-	728.50	39,358,220
Federal	5.00	209,257,418	-	19,938,369	5.00	229,195,787
Private	-	-	-	-	-	-
County	-	-	-	-	-	-
Trust	-	5,950,000	-	-	-	5,950,000
Transfer	-	8,600,000	-	1,200,000	-	9,800,000
Revolving	-	4,530,000	-	-	-	4,530,000
Other	-	-	-	-	-	-
All MOF	20,204.65	1,755,720,673	(36.00)	28,347,540	20,168.65	1,784,068,213

### Additions:

- \$8.7 million for Unit 1 and Unit 5 collective bargaining expenses
- \$25.9 million for the Charter School program
- \$12.2 million increase federal funds ceiling for No Child Left Behind and Individuals with Disabilities Education Act
- \$7.2 million in federal funds to reflect higher annual Impact Aid receipts
- \$1.1 million for increased cost of Risk Management program
- \$2.5 million for Student Transportation
- \$3.5 million for Afterschool A+ program
- \$1 million for school restroom supplies
- 4 positions/\$61,278 for new Mililani Ike Elementary School
- 15 positions/\$211,140 for school security attendant program
- \$347,299 for resources for new facilities
- 2 positions/\$71,460 for Junior ROTC program at Kealahou High School, Hawaii
- Convert 6 temporary positions to permanent for the School Based Budgeting program
- \$200,000 in interdepartmental transfer funds for the Driver Education program
- \$1 million in interdepartmental transfer funds for the Afterschool A+ program
- \$1.7 million for increase in State's share of Social Security/Medicare contributions
- \$3 million to School Based Budgeting to restore funding transferred to Charter Schools
- \$472,279 for athletic coaches salaries
- \$172,769 for Hawaii Teacher Standards Board
- 10 positions/\$352,500 for school athletic programs
- \$62,000 for Junior ROTC program for Waipahu High School
- \$100,000 grant-in-aid for Read to Me International Foundation

- \$50,000 grant-in-aid for Hui Malama Learning Center
- \$50,000 grant-in-aid for Hawaii High School Athletic Association
- \$100,000 grant-in-aid for Frank Delima Student Enrichment Program
- \$400,000 grant-in-aid for Hawaii 3R's program
- \$1 million for library books and materials

Dept. of Education (cont.)

- \$500,000 increase federal funds ceiling for the Library Services and Technology Act grant
- \$6.5 million transferred to the DOE's Repair and Maintenance of School Facilities from DAGS' Physical Plant Operations and Maintenance

**Reductions:**

- \$5.5 million from the fringe benefit cost of charter schools
- \$7.2 million to reflect higher annual Impact Aid receipts
- \$7.9 million for debt service
- 75 positions/\$1.9 million due to vacancy as a result of declining enrollment
- \$9.3 million to reflect projected savings in health benefit premiums
- \$132,223 for audits previously contracted by the department

**Office of the Governor**

	<b>Act 200/FY05</b>		<b>FY05 Adjusted</b>		<b>HB 1800, CD1 FY05</b>	
	Position	Amount	Position	Amount	Position	Amount
General	37.00	3,294,991	-	733	37.00	3,295,724
Special	-	-	-	-	-	-
Federal	-	-	-	-	-	-
Private	-	-	-	-	-	-
County	-	-	-	-	-	-
Trust	-	-	-	-	-	-
Transfer	-	-	-	-	-	-
Revolving	-	-	-	-	-	-
Other	-	-	-	-	-	-
All MOF	37.00	3,294,991	-	733	37.00	3,295,724

## Department of Hawaiian Home Lands

	Act 200/FY05		FY05 Adjusted		HB 1800, CD1 FY05	
	Position	Amount	Position	Amount	Position	Amount
General	29.00	1,277,007	-	-	29.00	1,277,007
Special	89.00	7,172,586	-	-	89.00	7,172,586
Federal	-	-	-	-	-	-
Private	-	-	-	-	-	-
County	-	-	-	-	-	-
Trust	-	-	-	-	-	-
Transfer	-	-	-	-	-	-
Revolving	-	-	-	-	-	-
Other	-	-	-	-	-	-
All MOF	118.00	8,449,593	-	-	118.00	8,449,593

### Additions:

- Convert funding of 11 positions from general to special funds (provided for in SB 1491 CD1)

## Department of Health

	Act 200/FY05		FY05 Adjusted		HB 1800, CD1 FY05	
	Position	Amount	Position	Amount	Position	Amount
General	2,574.85	344,493,353	25.50	34,689,858	2,600.35	379,183,211
Special	2,901.45	335,628,692	1.00	88,460,020	2,902.45	424,088,712
Federal	333.55	100,030,062	-	1,858,299	333.55	101,888,361
Private	-	-	-	-	-	-
County	-	-	-	-	-	-
Trust	-	-	-	-	-	-
Transfer	3.00	3,074,974	-	-	3.00	3,074,974
Revolving	62.40	100,136,730	-	-	62.40	100,136,730
Other	-	-	-	-	-	-
All MOF	5,875.25	883,363,811	26.50	125,008,177	5,901.75	1,008,371,988

### Additions:

- \$2.2 million rainy day funds for comprehensive primary health care services for uninsured persons
- \$2 million to Developmental Disabilities Division for Title XIX state matching funds for services to Medicaid eligible clients by adjusting the average patient cost
- \$210,600 for the Parking for Persons with Disabilities program
- \$1.7 million for 54 temporary positions to address increased caseload in the Community Mental Health Centers, and provide contracted services as required by court-ordered Community Plan
- \$9 million for additional purchase of service contracts for Adult Mental Health Division (AMHD) – Outpatient program
- \$4 million to AMHD – Inpatient program for contract with Kahi Mohala and conversion of 66 temporary positions to permanent
- 6 temporary positions/\$22 million in special funds for Deposit Beverage Container program
- \$1 million increase of federal funds ceiling for Mental Health and Substance Abuse Special Fund
- \$31.2 million for collective bargaining and operating expenses of the Hawaii Health Systems Corporation (HHSC)
- \$65 million increase of special fund ceiling for the HHSC
- \$50,000 grant-in-aid for Waikoloa Community Based Substance Abuse Rehabilitation and Recovery Program (provided for in SB 1491 CD1)

**Reductions:**

- \$4.2 million from Child and Adolescent Mental Health Division (CAMHD) due to declining caseloads, use of best practices and monitoring of client treatment; \$3.5 million transferred to other DOH programs, remaining balance \$735,656 returned to general fund



Dept. of Health (cont.)

- \$1 million to offset increased federal funds for mental health and substance abuse programs
- \$600,000 from Child and Adolescent Mental Health Division for services of Court Monitor
- \$2.3 million from CAMHD due to increase in QUEST reimbursements and decrease in Felix population
- \$2 million for purchase of services contracts for the Healthy Start Program
- \$215,000 for audits previously contracted by the department
- 9 positions/\$488,324 due to vacancy
- \$3.4 million for the HHSC's corporate allocation expense

## Department of Human Services

	Act 200/FY05		FY05 Adjusted		HB 1800, CD1 FY05	
	Position	Amount	Position	Amount	Position	Amount
General	1,224.19	584,812,702	(6.10)	27,972,506	1,218.09	612,785,208
Special	-	450,000	-	-	-	450,000
Federal	795.81	786,930,448	214.60	109,650,151	1,010.41	896,580,599
Private	-	10,000	-	-	-	10,000
County	-	-	-	-	-	-
Trust	-	-	-	14,008,563	-	14,008,563
Transfer	0.50	34,431,063	-	-	0.50	34,431,063
Revolving	-	1,330,200	54.00	10,073,753	54.00	11,403,953
Other	-	-	-	-	-	-
All MOF	2,020.50	1,407,964,413	262.50	161,704,973	2,283.00	1,569,669,386

### Additions:

- \$6.8 million for QUEST health care programs
- \$19.2 million in federal funds for QUEST health care programs
- \$250,000 to implement the Health Insurance Portability and Accountability Act (HIPPA) security rule
- \$2.25 million in federal funds to implement HIPPA security rule
- \$500,000 for the Residential Alternative Community Care (RACC) program as an alternative to institutional care for Medicated-eligible adults
- \$2.1 million in federal funds for the RACC program
- \$500,000 in rainy day funds for the RACC program (provided in HB 2796 CD1)
- \$767,850 for Chore Services program to provide essential housekeeping services to enable eligible disabled adults to remain in the community
- \$100,000 in rainy day funds for Chore Services program (provided in HB 2796 CD1)
- \$7.3 million to restore healthcare funding for people covered by Compacts of Free Association
- \$3.6 million for increasing foster care costs
- \$2 million for QUEST managed care health program to provide medical insurance to eligible uninsured persons
- \$2.9 million in federal funds for uninsured persons
- 324 positions/\$116.9 million to transfer-in the Housing and Community Development Corporation of Hawaii from DBEDT
- \$95,000 grant-in-aid for Adult Friends for Youth
- 41 positions/\$1.5 million vacancy restored (provided for in SB 1491 CD1)

**Reductions:**

- 61.5 positions/\$3 million due to vacancy
- \$168,670 for audits previously contracted by the department

## Department of Human Resources Development

	Act 200/FY05		FY05 Adjusted		HB 1800, CD1 FY05	
	Position	Amount	Position	Amount	Position	Amount
General	115.00	13,874,757	(2.00)	1,796,309	113.00	15,671,066
		700,000				700,000
Special	-	-	-	-	-	-
Federal	-	-	-	-	-	-
Private	-	-	-	-	-	-
County	-	-	-	-	-	-
Trust	-	-	-	-	-	-
		4,886,281				4,886,281
Transfer	-	-	-	-	-	-
Revolving	-	-	-	-	-	-
Other	-	-	-	-	-	-
All MOF	115.00	19,461,038	(2.00)	1,796,309	113.00	21,257,347

### Additions:

- \$3 million for Workers' Compensation obligations

### Reductions:

- \$1.2 million for unemployment compensation claims
- 2 positions/\$61,656 due to vacancy

## The Judiciary

	Act 200/FY05		FY05 Adjusted		HB 1800, CD1 FY05	
	Position	Amount	Position	Amount	Position	Amount
General	1,808.50	111,210,394	6.00	1,493,144	1,814.50	112,703,538
Special	36.00	6,542,944	-	223,735	36.00	6,766,679
Federal	-	-	-	-	-	-
Private	-	-	-	-	-	-
County	-	-	-	-	-	-
Trust	-	-	-	-	-	-
Transfer	-	-	-	-	-	-
	-	243,261	-	-	-	243,261
Revolving	-	-	-	-	-	-
Other	-	-	-	-	-	-
All MOF	1,844.50	117,996,599	6.00	1,716,879	1,850.50	119,713,478

### Additions:

- 15 positions/\$1.5 million to expand drug courts in the second and third judicial circuits (provided in HB 2004 CD1)
- 500,000 for Guardians Ad Litem and attorney fees in the first circuit
- \$163,000 for security improvements to the Adult Drivers License Revocation Office
- \$200,000 in rainy day funds for victims of intra-familial child abuse (provided in HB 2796 CD1)
- \$182,705 for security at various courts in the first and second judicial circuits
- \$50,000 grant-in-aid for Legal Aid Society of Hawaii (provided for in SB 1491 CD1)

## Department of Labor and Industrial Relations

	Act 200/FY05		FY05 Adjusted		HB 1800, CD1 FY05	
	Position	Amount	Position	Amount	Position	Amount
General	265.69	17,405,999	(8.55)	(2,299)	257.14	17,403,700
Special	4.00	200,086,717	-	(69,269)	4.00	200,017,448
Federal	448.90	77,805,940	(38.25)	(1,657,181)	410.65	76,148,759
Private	-	-	-	-	-	-
County	-	-	-	-	-	-
Trust	-	-	-	-	-	-
Transfer	-	1,383,418	-	-	-	1,383,418
Revolving	-	-	-	-	-	-
Other	-	-	-	-	-	-
All MOF	718.59	296,682,074	(46.80)	(1,728,749)	671.79	294,953,325

### Additions:

- \$271,379 in federal funds for the Occupational Safety and Health program
- \$125,000 grant-in-aid for Hawaii Human Development Corporation
- \$100,000 grant-in-aid for Hawaii Institute for Public Affairs
- \$200,000 grant-in-aid for ORI Anuenue Hale, Inc.
- \$100,000 grant-in-aid for Hawaii County Economic Opportunity Council (provided for in SB 1491 CD1)
- \$117,901 grant-in-aid for Kauai Economic Opportunity, Inc. (provided for in SB 1491 CD1)
- \$20,000 grant-in-aid for Assistive Technology Resource Centers of Hawaii (provided for in SB 1491 CD1)
- \$300,000 grant-in-aid for ORI Anuenue Hale, Inc. (provided for in SB 1491 CD1)
- \$25,000 grant-in-aid for Volunteer Resource Center of Hawaii (provided for in SB 1491 CD1)
- 22.95 positions/\$923,402 vacancy restored (provided for in SB 1491 CD1)

### Reductions:

- 44.79 positions/\$2.4 million due to vacancy

## Department of Land and Natural Resources

	Act 200/FY05		FY05 Adjusted		HB 1800, CD1 FY05	
	Position	Amount	Position	Amount	Position	Amount
General	507.85	26,109,133	(90.75)	(1,028,515)	417.10	25,080,618
Special	203.50	33,192,135	27.00	3,994,532	230.50	37,186,667
Federal	18.65	10,365,034	(3.25)	(187,851)	15.40	10,177,183
Private	-	-	-	-	-	-
County	-	-	-	-	-	-
Trust	-	-	-	-	-	-
Transfer	-	-	-	-	-	-
Revolving	1.00	543,791	-	117,216	1.00	661,007
Other	-	-	-	-	-	-
All MOF	731.00	70,210,093	(67.00)	2,895,382	664.00	73,105,475

### Additions:

- \$2 million for invasive species prevention and control program
- \$2 million in special funds for invasive species prevention and control program
- \$2.8 million in special funds for the conversion of Bureau of Conveyances from general to special funds
- \$100,000 for holiday overtime expense for DOCARE officers
- \$153,000 increase revolving fund ceiling for the Wildlife Revolving Fund
- \$98,046 increase special fund ceiling for the Na Ala Hele special fund
- \$30,000 grant-in-aid for Mo`okini Luakini, Inc.
- \$75,000 grant-in-aid for Hawaii Nature Center
- \$50,000 grant-in-aid for Aha Hui E Kala (provided for in SB 1491 CD1)

### Reductions:

- 42.75 positions/\$1.4 million due to vacancy
- 28 positions/\$1 million in special funds due to vacancy
- 3.25 positions/\$193,851 in federal funds due to vacancy
- \$35,784 in revolving funds due to vacancy

# Office of Lieutenant Governor

	Act 200/FY05		FY05 Adjusted		HB 1800, CD1 FY05	
	Position	Amount	Position	Amount	Position	Amount
General	13.00	3,611,690	(4.00)	(2,579,388)	9.00	1,032,302
Special	-	-	-	-	-	-
Federal	-	-	-	-	-	-
Private	-	-	-	-	-	-
County	-	-	-	-	-	-
Trust	4.00	4,423,489	(4.00)	(4,423,489)	-	-
Transfer	-	-	-	-	-	-
Revolving	-	-	-	-	-	-
Other	-	-	-	-	-	-
All MOF	17.00	8,035,179	(8.00)	(7,002,877)	9.00	1,032,302

## Reductions:

- 4 positions/\$2.6 million to transfer-out the Office to Elections to the Department of Accounting and General Services
- 4 positions/\$4.4 million in trust funds to transfer-out the Campaign Spending Commission to DAGS



## Department of Public Safety

	Act 200/FY05		FY05 Adjusted		HB 1800, CD1 FY05	
	Position	Amount	Position	Amount	Position	Amount
General	2,472.53	152,965,621	(35.33)	6,471,166	2,437.20	159,436,787
Special	6.00	2,365,921	-	-	6.00	2,365,921
Federal	7.00	541,407	-	850,000	7.00	1,391,407
Private	-	-	-	-	-	-
County	-	200,000	-	-	-	200,000
Trust	-	75,065	-	-	-	75,065
Transfer	76.00	5,611,786	(4.00)	(47,120)	72.00	5,564,666
Revolving	14.00	8,054,924	-	6,888	14.00	8,061,812
Other	-	742,980	-	-	-	742,980
All MOF	2,575.53	170,557,704	(39.33)	7,280,934	2,536.20	177,838,638

### Additions:

- \$3.8 million to send an additional 150 inmates to out-of-state facilities
- \$1.2 million for increased expenses for out-of-state inmate contracts
- \$712,521 to house an additional 20 inmates at the Federal Detention Center in Honolulu
- \$430,000 to provide substance abuse treatment, sex offender treatment, and transition skills and job development services for Oahu parole population
- 11 positions/\$504,066 for 8 parole officers and 3 clerk typists for Hawaii Paroling Authority
- \$78,174 to provide for the nurses shortage differential for the Halawa and Women's facilities
- 7 positions/\$266,664 for 7 deputy sheriff positions for new Kauai Judicial facility
- \$850,000 increase federal funds ceiling for the Crime Victim Compensation Commission
- 5 positions/\$264,329 for a new Inmate Release Unit
- Transferred protective services (PSD501) to sheriff (PSD503)
- \$124,750 grant-in-aid to T.J. Mahoney

### Reductions:

- 67.33 positions/\$1.3 million due to vacancy

## Department of Taxation

	Act 200/FY05		FY05 Adjusted		HB 1800, CD1 FY05	
	Position	Amount	Position	Amount	Position	Amount
General	332.00	18,334,150	-	3,933	332.00	18,338,083
Special	-	1,494,252	-	-	-	1,494,252
Federal	-	-	-	-	-	-
Private	-	-	-	-	-	-
County	-	-	-	-	-	-
Trust	-	-	-	-	-	-
Transfer	-	-	-	-	-	-
Revolving	-	-	-	-	-	-
Other	-	-	-	-	-	-
All MOF	332.00	19,828,402	-	3,933	332.00	19,832,335

## Department of Transportation

	Act 200/FY05		FY05 Adjusted		HB 1800, CD1 FY05	
	Position	Amount	Position	Amount	Position	Amount
General	-	-	-	-	-	-
Special	2,276.25	518,439,256	(155.25)	56,207,720	2,121.00	574,646,976
Federal	3.00	18,279,141	6.00	3,812	9.00	18,282,953
Private	-	112,500	-	-	-	112,500
County	-	-	-	-	-	-
Trust	-	-	-	-	-	-
Transfer	-	-	-	-	-	-
Revolving	-	-	-	-	-	-
Other	-	-	-	-	-	-
All MOF	2,279.25	536,830,897	(149.25)	56,211,532	2,130.00	593,042,429

### Additions:

- \$55 million in special funds for redemption of Airport Revenue Bonds
- \$700,000 in special funds for dry-docking of the fireboat
- \$3.5 million in special funds for increased security for all Oahu commercial ports
- \$694,568 in special funds for security at Barbers Point, Hilo, Kawaihae, Kahului and Nawiliwili harbors
- \$280,014 in special funds for hazardous waste disposal for Honolulu Harbor and Kewalo Basin

### Reductions:

- 155.25 positions/3 temporary positions/\$4.7 million in special funds due to vacancy

## University of Hawaii

	Act 200/FY05		FY05 Adjusted		HB 1800, CD1 FY05	
	Position	Amount	Position	Amount	Position	Amount
General	5,712.34	478,476,254	50.00	(3,304,123)	5,762.34	475,172,131
Special	182.25	131,680,469	-	3,000,000	182.25	134,680,469
Federal	97.66	10,162,151	-	200,000	97.66	10,362,151
Private	-	-	-	-	-	-
County	-	-	-	-	-	-
Trust	-	-	-	-	-	-
Transfer	-	-	-	-	-	-
Revolving	323.75	129,279,403	-	17,531,561	323.75	146,810,964
Other	-	-	-	-	-	-
All MOF	6,316.00	749,598,277	50.00	17,427,438	6,366.00	767,025,715

### Additions:

- 1 position/\$368,097 for statewide apprenticeship programs in construction and Pearl Harbor Naval shipyard
- 20 positions/\$684,773 in general funds and \$1 million in revolving funds for the new Health Science Library in Kaka`ako
- 16 positions/\$308,685 in general funds and \$1.5 million in revolving funds for John A. Burns Medical School core facilities
- 10 positions/\$767,000 for a system-wide Creative Media program
- \$15 million increase revolving fund ceiling for the Research and Training Revolving Fund
- \$1 million increase special fund ceiling for the UH-Hilo Tuition and Fees Special Fund
- \$2 million increase special fund ceiling for the University of Hawaii Risk Management Special Fund
- \$200,000 increase federal funds ceiling for UH operational expenditures
- \$645,224 for State's share of Social Security/Medicare contributions
- \$100,000 for distance-learning program for the School of Social Work
- \$120,000 for masters program in Counseling Psychology at UH Hilo
- 1 position/\$70,000 to expand Public Administration program at UH Manoa
- 2 positions for International Education
- \$80,000 grant-in-aid for the Pacific and Asian Affairs Council

### Reductions:

- \$3.7 million for debt service
- \$3.4 million to reflect projected savings in health benefit premiums
- 43.5 positions/\$1.6 million transferred from Office of Research Service, UH Manoa to UH Systemwide

- \$250,000 transferred from UH Systemwide to UH Manoa for web-based data center of the center on the family and expansion of the data center's information resources

# **LIST OF MEASURES PASSED** by the 2004 Legislature

## **Commerce, Consumer Protection and Housing**

### **SENATE BILL(S)**

SB1318, SD1, HD2, CD1	Business registration fees; alignment; reduction
SB2009, SD1, HD1 (Act 72)	Condominiums; board's authority to approve telecommunications equipment without owner consent
SB2210, SD2, HD1, CD1	Condominium law; partial recodification; dispute resolution pilot program; appropriations
SB2358, SD2, HD1, CD1	Construction defects; notice and opportunity to repair; design professional conciliation panel abolished
SB2528, SD1, HD1, CD1	Hurricane loss mitigation grant program; reimbursement reduction; appropriation; DCCA report
SB2595, SD2, HD2, CD1	Mental health counselors licensing program; established; appropriation
SB2704, HD1, CD1	Residential real property; mandatory seller disclosure; waiver of construction defect
SB2839, SD2, HD2, CD1	Charitable solicitations; attorney general oversight; solicitation contract
SB2882, SD1, HD1	Alien insurers; authorization to utilize Hawaii as state of entry
SB2887, SD2, HD2, CD1	Interstate Insurance Product Regulation Compact; adopted
SB2905 (Act 26)	Physicians licensure; censure and reprimand
SB2906, SD1, HD2, CD1	Certificate of good standing; fee reduced
SB2908, SD1, HD1, CD1	Business registration; clarification; correction; update
SB2909, SD1, HD1, CD1	Small public utilities; rate filing; standardized form
SB2926, SD1, HD2, CD1	HCDCH; housing loan programs; bond authorization increased
SB2951, SD1, HD1, CD1	Radiologic technology licensing; administration; penalties

SB3049, SD2, HD2, CD1	Charitable gift annuity agreements; net worth; reserves
SB3190, SD1, HD1	Motor carriers; use of unlicensed commercial driver
SB3193, SD2, HD2, CD1	Maximum pre-tax gasoline prices; retail caps repealed; mid-grade and premium gasolines included; baseline formula revised; neighbor island task force; appropriation
SB3237, SD1, HD1 (Act 47)	Hawaii Rx Plus; income limits; preferred drug list; appropriation

### **HOUSE BILL(S)**

HB1259, HD1, SD1, CD1	UCC article 1; general provisions; revised
HB1737, HD1 (Act 14)	Mortgage brokers and solicitors licensure; insurance producer experience equivalency
HB1819 (Act 36)	Military member-owned reciprocal insurer; policy and claims service
HB1820, HD1, SD1, CD1	Motor vehicle insurance; cancellation during underwriting period or for nonpayment of premiums; notice
HB1824, SD1	Plumber licensure; triennial license; plumbing code continuing competency
HB2005, HD1, SD1, CD1	Prescription drugs; return-for-credit and reuse; charitable repositories
HB2137, HD1, SD1, CD1	One Call Center; underground facilities; excavation; notification; appropriation
HB2139, HD1 (Act 15)	Insurance; annuities; minimum nonforfeiture amount
HB2140, HD1, SD1	Pharmacist licensure; continuing education
HB2143, HD2, SD1, CD1	Gift certificates; fees prohibited; electronic cards
HB2147, HD1, SD1	UCC article 7; revised; electronic documents of title
HB2363, HD1, SD2	Public benefit corporations; attorney general oversight
HB2408, HD2, SD1	Association health plans; bona fide trade association

HB2411, HD1, SD1, CD1	Insurance; conformance with Gramm-Leach-Bliley Act and Producer Licensing Model Act; mandatory coverages exemption for self-employed
HB2417 (Act 12)	Real estate licensure; license recognition agreement
HB2418 (Act 11)	Professional and vocational license; abandoned application
HB2421, SD1	Private detective and guard licensure; "firm" defined; principal employee; inactive license
HB2423 (Act 13)	Cosmetology license restoration
HB2426 (Act 31)	Elevator mechanic licensure; training
HB2558, HD1 (Act 34)	401(k) benefits; exempt from attachment
HB2773, HD1, SD1, CD1	Condominiums; amateur radio antenna installation
HB2774, HD1, SD1, CD1	Planned communities; amateur radio antenna installation
HB2786, HD1, SD2, CD1	Insurance liability dispute; arbitration; attorney's fees and costs

#### **SENATE CONCURRENT RESOLUTION(S)**

SCR27	Prescription drug imports; support for federal legislation urged
SCR56	Prescription drug negotiations; repeal of ban urged

#### **HOUSE CONCURRENT RESOLUTION(S)**

HCR90, HD1	Money transmitters regulation; sunrise review
HCR123, HD1	City affordable rentals sale; financing assistance for private developers
HCR214	Home ownership; Hauiki Homes demonstration project

#### **SENATE RESOLUTION(S)**

SR17	Unsolicited pornographic pop-ups; FTC investigation urged
------	---



SR24	Prescription drug negotiations; repeal of ban urged
SR63	Prescription drugs; legislation permitting; importation from Canada urged

## **Economic Development**

### **SENATE BILL(S)**

SB2077, SD2, HD1, CD1	Functional plans; updates
SB2606, SD1, HD2, CD1	Brewpub licenses; sale of malt beverages by licensed brewpubs for off-premise consumption permitted
SB3170, SD2, HD2, CD1	Petroleum products; new requirement for ethanol content in gasoline

### **HOUSE BILL(S)**

HB1743, HD2, SD2	Light pollution; artificial light; special management area
HB1898, HD1 (Act 37)	Financial Literacy for Youth Month; designates April as
HB2223, SD1	State Boxing Commission of Hawaii; conform laws relating to the State Boxing Commission to the federally enacted Professional Boxing Safety Act of 1996
HB2569, HD1, SD1	Niihau Shell Products; use of the term "Niihau" in the labeling, description, and marketing of seashell and jewelry products regulated
HB2840, HD1, SD3, CD1	Hawaii 3Ts school technology laboratories fund to establish and maintain technology laboratories in Hawaii public schools

### **SENATE CONCURRENT RESOLUTION(S)**

SCR30, HD1	Spirit of Hawaii; goodwill and friendship mission
SCR68, SD1	Cooperative ventures; study of U.S. mainland organizations
SCR101, SD1, HD1	Marshall Islands Nuclear Claims Tribunal awards; payment by Congress

**HOUSE CONCURRENT RESOLUTION(S)**

HCR202 Visa processing capacity; federal legislation

**SENATE RESOLUTION(S)**

SR13, SD1 International Animation Film Festival in Hawaii; study formation

SR18 Spirit of Hawaii; goodwill and friendship mission

SR31 Workforce development; study

SR57, SD1 Hawaii Film and Television Development Board; digital media strategy

**Education****SENATE BILL(S)**

SB17, SD1, HD1, CD2 Two tier junior kindergarten and kindergarten program; entrance age

SB2056, SD1, HD2, CD1 Auditor; access to student health and education records

SB2063, SD2, HD2, CD1 DOE; textbook and instructional materials fee special account

SB2200, HD1, CD1 DOE; UH; running start program

SB2425, SD1, HD1, CD1 Charter schools; funding

SB2538, SD1, HD1, CD1 Iolani School; SPRBs

SB2671, SD1, HD1, CD1 Damien Memorial High School; SPRBs

SB2716, SD1, HD2, CD1 Higher education statutory analysis interim study group

SB2790, SD1, HD1, CD1 Haleakala Waldorf School; SPRBs

SB2791, SD1 HD1, CD1 Montessori School of Maui; SPRBs

SB3020, HD1, CD1 Multi-track schooling; Kapolei Elementary and Middle School

SB3086, HD1, CD1	Island Pacific Academy; SPRBs
SB3148, SD2, HD3, CD1	Host culture charter school district; study
SB3238, SD2, HD2, CD1 (Act 51)	Reinventing Education Act of 2004; DOE; BOE

### **HOUSE BILL(S)**

HB1710, HD2, SD2, CD1	UH; student scholarship and assistance special fund
HB1893, HD2, SD1	GEAR UP Hawaii scholarship trust fund
HB1926 (Act 21)	Interstate agreement of qualification of educational personnel
HB1929, HD1, SD2, CD1	DOE; school repair and maintenance; Hawaii 3R's
HB2002, HD2, SD1, CD2	After-school plus program revolving fund; amendments to the Reinventing Education Act of 2004
HB2286, HD1, SD1	Hawaii Commission for National and Community Service
HB2547, HD2, SD2, CD1	UH Foundation; reports
HB2645, HD2, SD2	DOE; retired teachers; coursework waiver to serve as substitute teachers
HB2667, HD2, SD1, CD1	DOE; Hawaiian language medium education
HB2911, HD2, SD1, CD1	Charter schools; audits; subject to laws

### **SENATE CONCURRENT RESOLUTION(S)**

SCR20	Master building plan for the College of Education
SCR92, SD1	University of Hawaii School of Global and Public Health
SCR114	Paradise Park; acquisition by UH
SCR115	Harold L. Lyon Arboretum; audit
SCR133	BOE; community input
SCR136	Asia-pacific risk management and insurance program within the College of Business Administration at UH at Manoa

SCR164

Philippine student exchange

### **HOUSE CONCURRENT RESOLUTION(S)**

HCR60

Development, Relief and Education for Alien Minors (DREAM) Act

HCR63

Felix consent decree; joint senate-house investigative committee

HCR84

University of Hawaii School of Global and Public Health

HCR117

Perkins Vocational and Technical Education Act; congressional support

HCR158

UH at Hilo; College of Pharmacy

HCR203

Occupational therapists, physical therapists, and speech therapists; parity study

### **SENATE RESOLUTION(S)**

SR9

DOE; central kitchens

SR10

Master building plan for the College of Education

SR12

DOE; physical education

SR43

Community-based youth programs; 1st representative district

SR46, SD1

Public schools; school health aide personnel

SR47

Military impacted schools; task force

SR48, SD1

University of Hawaii School of Global and Public Health

SR60

Harold L. Lyon Arboretum; audit

SR71

BOE; community input

SR84

Philippine student exchange

SR111

Alternative Schools; dropout centers; drug addicted adolescents

SR113, SD2

Hawaiian students; UH; audit of recruitment programs

## Energy and Environment

### SENATE BILL(S)

SB1239, SD1, HD2, CD1	Renewable energy; fuel tax for alternative fuels reduction
SB1611, HD2, CD1	Deposit beverage container program; clarifying amendments
SB2134, HD1, CD1	Emergency environmental workforce established; invasive species control
SB2474, SD3, HD2	Renewable energy; renewable portfolio standards increase; PUC study
SB3092, SD1, HD1, CD1	Illegal dumping; reward for reporting
SB3153, SD2, HD2, CD1	Soil renutrification research; appropriation
SB3162, SD1, HD1, CD1	Renewable energy technologies income tax credit
SB3172, SD1 (Act 7)	Pest control operators; sanctions clarified
SB3207, SD2, HD2, CD1	Ethanol Facility Tax Credit; changed from investment to facility tax credit; amount based on nameplate capacity

### HOUSE BILL(S)

HB1294, SD1, CD1 (Act 55)	Environmental impact statements; actions requiring EIS
HB1944, HD1, SD1	Worldwide Energy Group, Inc.; SPRBs
HB2013, SD2, CD1	Polybrominated diphenyl ethers; manufacture, processing or distribution restricted on or after 1/1/06
HB2048, HD1, SD1	Net energy metering; maximum capacity increased to 50kW; government entity included; safety standards exemption limited
HB2049, HD1, SD2, CD1	Energy performance contracts; financing options and maximum term expanded
HB2074, HD1, SD1, CD1	Small business penalty waiver; environmental and historic preservation law violations excluded
HB2142, HD2 (Act 23)	Natural Energy Laboratory of Hawaii Authority;

business trade secrets and proprietary information

HB2498, HD1 (Act 32)	DLNR; interim rules to protect native species
HB2578, HD1, SD2, CD1	Honolulu Seawater Air Conditioning LLC; SPRBs

#### **SENATE CONCURRENT RESOLUTION(S)**

SCR168, SD1	State boating facilities management audit; DLNR progress report
SCR169	Honolulu Seawater Air Conditioning and Thermal Energy Source System; feasibility study
SCR175, SD1	Renewable Hydrogen Technologies; Iceland-Hawaii Partnership
SCR180, SD1, HD1	Intra-governmental wheeling; electricity; PUC
SCR185, SD1	Upcountry Maui; lead contamination; alternatives to USEPA lead and copper rules

#### **HOUSE CONCURRENT RESOLUTION(S)**

HCR049, HD1, SD1	Precautionary Principle; LRB review
HCR118, HD1	Water quality monitoring program; LRB feasibility study
HCR149	Yellowstone Buffalo Preservation Act; Congressional support urged
HCR245, HD1, SD1	Backhauling of shipping materials by big box retailers; DOH feasibility study

#### **SENATE RESOLUTION(S)**

SR086	Precautionary Principle; statewide implementation urged
SR088, SD1	State boating facilities management audit; DLNR progress report
SR089	Honolulu Seawater Air Conditioning and Thermal Energy Source System; feasibility study
SR091	Compost; soil remediation; plant bed; DBEDT support
SR093, SD1	Light pollution; county ordinances

SR094, SD1	Renewable Hydrogen Technologies; Iceland-Hawaii Partnership
SR097, SD1	Backhauling of shipping materials by big box retailers; DOH feasibility study
SR102, SD1	Upcountry Maui; lead contamination; alternatives to USEPA lead and copper rules

## Health

### SENATE BILL(S)

SB1238, SD2, HD2, CD1	Advance mental health care directive
SB1362, SD3, HD2 (Act 79)	Mental health divisions
SB2005 (Act 22)	Medical records; confidentiality of records
SB2577, SD1, HD2 (Act 54)	Peer review; protection for physicians, hospitals, and other health care providers
SB2586, SD2, HD2, CD1	Dentists; dental hygienists; community service license
SB2589, SD1 (Act 27)	Health insurance; complaints; notification of decision
SB2690, SD2, HD2, CD1	Emergency medical services; special fund
SB2897, SD2, HD2 (Act 69)	Dentists; dental hygienists; license examination
SB2899, SD2, HD1	Nurses; licensure; foreign nursing schools
SB2948, SD2, HD1, CD1	Public health nursing services program
SB2950, SD1 (Act 28)	Generic substitution of prescription drug products
SB3085, SD2, HD2, CD1	Nurses; joint formulary advisory committee
SB3135, SD1, HD1, CD1 (Act 73)	St. Francis Healthcare System of Hawaii; SPRBs
SB3156, SD1, HD1, CD1	Emergency medical services; state immunity
SB3222, SD2, HD2 (Act 56)	Motor vehicle insurance; naturopathy benefits

### HOUSE BILL(S)

HB1797 (Act 46)	Optometry; scope of practice
-----------------	------------------------------





HB1839, HD2, SD2	Pain patient's bill of rights; pain management guidelines
HB1840, HD1, SD1, CD1	Air pollution control; fugitive dust
HB1991, HD1, SD1	Automatic external defibrillators; liability immunity
HB2092, HD2, SD2	Medicine and surgery; Canadian programs
HB2098, HD1, SD2	Medical records; release to next of kin
HB2170, HD1, SD1	Rehabilitation Hospital of the Pacific; SPRBs
HB2198, HD1 (Act 19)	School health; asthma or other potentially life-threatening illness; self-administration of medication.
HB2414 (Act 30)	Dental service organization; solvency
HB2472, HD2, SD1, CD1	Sale of sterile syringes for the prevention of disease; sunset repeal
HB2539, HD2 (Act 33)	Hospitals; certificate of need; building permits
HB2796, HD1, SD2, CD1 (Act 45)	Appropriations for health and human services programs
HB2798, HD1, SD2	Practice of pharmacy; intranasal drugs and immunizations
HB2814, HD2, SD1, CD1	Kalaupapa Settlement; annual report

#### **SENATE CONCURRENT RESOLUTION(S)**

SCR17, HD1	State Capitol; smoke-free
SCR37	Health insurance; cognitive rehabilitation coverage
SCR40	Cellular and radio antenna towers; Waiawa industrial area
SCR49	Continuing medical education; pain management
SCR75	Family caregivers; importance of contributions
SCR79, SD1, HD1	Hawaii State Council on Developmental Disabilities; task force; residential setting choices
SCR146, SD1	Dialysis treatment; Puna district



## HOUSE CONCURRENT RESOLUTION(S)

HCR103, HD1	Federal Independence Plus Initiative; waiver for community services
HCR138, HD1, SD1	Mammography studies; reimbursement
HCR141	Fetal Alcohol Spectrum Disorder; coordinated statewide effort
HCR150	Men's health issues
HCR152, HD2	Medical marijuana; LRB study
HCR153, HD1	UH Center for Advancement of Global Health, Welfare, Education, and Peace By and For Children, Youth, and Families in Hawaii
HCR154	EOA; family caregivers and elders data
HCR156, HD1	Mental health treatment in state facilities; working group
HCR159	AMA interim winter meeting

## SENATE RESOLUTION(S)

SR20	Cellular and radio antennas; Waiawa industrial area
SR35	Family caregivers; importance of contributions
SR36, SD1	Fetal Alcohol Spectrum Disorder; coordinated statewide effort
SR37, SD1	Year of polio awareness
SR46, SD1	School health aide personnel staffing
SR49, SD1	Mental health services; private pay graduated charges
SR100, SD1	Mold working group

## Human Services

### SENATE BILL(S)

SB2165, SD1, HD1, CD1	Child abuse and neglect; drug-affected infants;
-----------------------	---

	federal grants
SB2608, SD1, HD1, CD1	Critical access hospitals; payment methodology
SB2929, SD1, HD1, CD1	Long-term care services; reimbursement methodology
SB2930, SD2, HD1, CD1	Home and community-based services
SB2936, SD2, HD1, CD1	Pregnant legal immigrants; medical assistance
SB3230, SD2, HD1, CD1	Early childhood care; appropriation

## **HOUSE BILL(S)**

HB1860, HD1, SD2, CD1	Child abuse and neglect programs; income tax check-off
HB2020, HD1, SD2, CD1	Promoting sex tourism; travel agencies; penalties
HB2022, HD2, SD1, CD1	General assistance; disability qualifications
HB2023, HD2, SD2, CD1	Public assistance; administrative appeals
HB2385, HD1, SD1 (Act 80)	Public health statistics records; Child Support Enforcement Agency
HB2459, HD1, SD2	Public assistance benefits; motor vehicle insurance; covered loss deductible

## **SENATE CONCURRENT RESOLUTION(S)**

SCR45, SD1	Healthy start for young children and at-risk families; statewide interagency task force
SCR54	Prenatal care; medical assistance application; audit
SCR81, SD1	Self-sufficiency standard; utilization
SCR106, SD1	Developmental disability providers; payment delays
SCR135, SD1	Affordable housing task force
SCR189	Care home facilities for needy children of Hawaiian ancestry
SCR199, HD1	Small business development and careers for the disabled; task force

**HOUSE CONCURRENT RESOLUTION(S)**

HCR211	Substance abuse treatment facilities; leasing surplus state land
--------	--

**SENATE RESOLUTION(S)**

SR40, SD2	Family court; misuse of legal interventions
-----------	---

**Judiciary and Hawaiian Affairs****SENATE BILL(S)**

SB459, SD1, HD1, CD2	Campaign spending reform
SB2278 (Act 10)	Statutory revision measure
SB2294, SD1, HD1 (Act 50)	Squatting; criminal trespass; public property
SB2443, SD1, HD1 (Act 48)	Attorneys' lien; actions and judgments
SB2647, SD1 (Act 24)	Hawaii Paroling Authority; nomination panel; Hawaii Criminal Justice Association; Interfaith Alliance Hawaii
SB2748, SD1, HD2, CD1	Drug demand reduction assessment; special fund; monetary assessments
SB2834, SD2, HD2, CD1	Claims against the State; Appropriation
SB2840, SD2, HD2, CD1	Cigarettes; unlawful shipments; penalties; Attorney General seizures; tobacco master settlement agreement; supersedeas bond
SB2842, SD1, HD4 (Act 59)	Sex offender registration
SB2843, SD1, HD2	Public access to registration information; offenses against children; sexual offenses; con am
SB2844, SD1, HD1 (Act 49)	Habitual property crime; penalties
SB2846, SD1, HD2	Privileged communications; physicians, psychologists, counselors, or licensed mental health professionals; inadmissibility; con am
SB2851, SD1	Criminal information charging; con am
SB2861, SD1, HD2, CD1 (Act 62)	Criminal information charging; procedure

SB2976, SD1, HD1, CD1 (Act 65)	Prisoner transportation and housing; appropriation
SB2994, SD1, HD2	Use tax
SB3113, SD1, HD1, CD1	Absentee voting; County of Kalawao (Kalaupapa )
<b>HOUSE BILL(S)</b>	
HB267, HD2, SD2 (Act 57)	Office of Elections and Campaign Spending Commission communications; Office of Elections to hire own attorney and establish a commission
HB851, HD1, SD1, CD1	First time tax appeals to District Board of Review or to the Tax Court; payments
HB1828, HD1, SD1, CD1 (Act 84)	Public order; urinating and defecating in public; downtown Honolulu area; penalties
HB1980, HD1, SD1, CD1	Family Court Child Protective Services; open hearings; non-lawyer advocates allowed at hearings
HB2003, HD1, SD1 (Act 44)	Substance abuse; controlled substances; crystal methamphetamines; omnibus bill
HB2024, HD1 (Act 4)	Firearms and ammunition; transfer of ownership; restraining orders
HB2206, HD1, SD1	Uniform Controlled Substance Act; regulation of distribution of certain chemicals; updates to controlled substance lists
HB2251 (Act 6)	License suspension or revocation; driving under the influence of intoxicants; prior offenses
HB2254, SD1, CD1 (Act 61)	Sexual contact; sexual penetration; sexual assault; law enforcement officers and correctional facility employees
HB2292, HD1, SD1	Electronic filing fees; Judiciary computer special fund
HB2293 (Act 78)	Probation services fee; interstate compact; compact commission; repeal
HB2294	Administrative fees; traffic cases; Judiciary computer systems special fund
HB2295, HD1 (Act 77)	Delinquent court-ordered payments; collection
HB2296, HD1 (Act 71)	Credit and debit card payments for court costs, fees, expenses, and other charges; security for bail





HB2297, HD1, SD2	Guardianship of minors and incapacitated persons; Uniform Guardianship and Protective Proceedings Act
HB2298, HD1 (Act 5)	Disqualification of judges; pecuniary interest
HB2299, HD1 (Act 3)	Appellate court costs and fees; one-time payment at initial filing of appeal
HB2300, HD1, SD1, CD1 (Act 38)	Judiciary Supplemental Appropriations Act; Act 120; amended
HB2301, HD1, SD1	Appellate jurisdiction; Supreme Court; Intermediate Court of Appeals; reform
HB2375, HD1, SD1	Solid waste; felony disposal; fine
HB2378 (Act 16)	Boards and commissions; sovereign immunity
HB2674, HD1, SD1, CD1	Club cards; identity theft
HB2683, SD1, CD1	Deferred acceptance of guilty plea; deferred acceptance of nolo contendere plea; substantial bodily injury; excluded offenses
HB2685 (Act 17)	Bail jumping; knowingly failing to appear in court
HB2689 (Act 18)	Stalking; family court and circuit court; concurrent jurisdiction
HB2789, HD1, SD1 (Act 60)	Sexual assault crimes; continuing course of conduct; con am

#### **SENATE CONCURRENT RESOLUTION(S)**

SCR167	Native Hawaiian knowledge holders; intellectual property rights; recognition and study
--------	--

#### **HOUSE CONCURRENT RESOLUTION(S)**

HCR199	Haiku Stairs; cease easements for access
HCR261, HD1, SD1	Decriminalizing of non-serious offenses; study
HCR265, HD1	Gender responsive plan for women and minor detainees
HCR267, HD1	Sex offender registration; restoring public access

**SENATE RESOLUTION(S)**

SR41, SD1	Child support adjustments for activated military personnel; task force
SR50	Congressional amendments to immigration laws
SR87	Native Hawaiian knowledge holders; intellectual property rights; recognition and study

**Labor****SENATE BILL(S)**

SB214, SD3, HD2, CD1	Workforce development; services for Micronesian, Marshallese, and Palauan immigrants
SB469, HD1	Employment discrimination; sick leave
SB779, SD2, HD2, CD1	ERS; defined benefit hybrid contributory plan
SB1302, SD1	Collective bargaining salary increases and cost items; unit (10); appropriation
SB2073, SD2, HD2, CD1	UH; optional retirement system
SB2355, SD2, HD2, CD1	EUTF; status of retirees upon return to service
SB2424, SD2, HD2, CD1 (Act 63)	Civil service status; new century conversion charter school employees
SB2550, HD1, CD1 (Act 75)	Collective bargaining salary increases and cost items; unit (5); appropriation
SB2551, HD1, CD1 (Act 74)	Collective bargaining salary increases and cost items; unit (7); appropriation
SB2556, HD1, CD2 (Act 68)	Salary increases and cost adjustments; excluded employees
SB2873, SD1, HD2, CD1	ERS; employer contribution amounts
SB2878, SD2, HD2, CD1	ERS; federal tax limit on compensation; appropriation
SB2879, SD2, HD2, CD1	ERS; federal tax qualification; conformance
SB2895, SD1, HD1	Pest control; workers' compensation insurance requirement for license renewals



SB3018, SD2, HD1, CD1	ERS; police officers; service related disability; service retirement allowance
SB3106, SD1, HD2, CD1	Counties; deferred compensation retirement plan
SB3175, SD2, HD2, CD1	Social security benefits; East-West center employees

## **HOUSE BILL(S)**

HB1043, SD1, CD1 (Act 53)	Collective bargaining salary increases and cost items; units (2), (3), (4), (6), (8), and (13); appropriation
HB1374, HD2, SD2, CD1	Workers' compensation investigation and prosecution; recovery of fees
HB1774, HD2, SD2, CD1	Unemployment insurance; weekly benefit amounts
HB1780, HD1, SD1	Family leave, parent-teacher or parent-caregiver conferences
HB1786, HD1, SD2, CD1	Civil service; eligibility of exempt employees
HB1919, HD1	Compensation and benefits packages; excluded employees
HB2025, HD3, SD2	Employment discrimination; equal pay; task force
HB2446 (Act 64)	Collective bargaining salary increases; units (1) and (5); emergency appropriation
HB2466 (Act 39)	Workers' compensation program; emergency appropriation
HB2740, HD1, SD1	Dislocated workers; notification requirements for closing and housing termination
HB2871, HD2, SD1	Public employees prohibition on smoking in public schools; employee breaks for smoking off-campus

## **SENATE CONCURRENT RESOLUTION(S)**

SCR13	Military residential communities initiative; urging use of local contractors
SCR127, SD1, HD1, CD1	DHRD; delay of the elimination of social worker series

**HOUSE CONCURRENT RESOLUTION(S)**

HCR77, HD2	DLIR; enforcement of Act 44, SLH 2003, in accordance with legislative intent
HCR112, HD1	DBEDT; WDC; report on industry clusters, labor supply and demand matrices, and educational pipelines
HCR195	Employee Free Choice Act; support
HCR251	Cleaner's Appreciation Day

**SENATE RESOLUTION(S)**

SR15	Military residential communities initiative; urging use of local contractors
SR77	Employee Free Choice Act; support

**Science, Arts and Technology****SENATE BILL(S)**

SB2281, SD1, HD1, CD1	High Technology Development Corporation; private trust accounts; high technology special fund cap
SB2377, SD1, HD1, CD1	Privacy; digital recordings and interception and divulging of photographic images; violation of privacy
SB2380, SD1, HD1, CD1	State Art Museum; State Art Museum and the Friends of the Hawaii State Art Museum; Relocatable Works of Art and Art in Public Places programs
SB2902, SD2 (Act 8)	Telemarketing; federal Do-Not-Call provisions; unfair and deceptive trade practices

**HOUSE BILL(S)**

HB1756, HD2, SD1, CD1	Electricore, Inc.; SPRBs
HB2396, HD2, SD2, CD1	Capital investment; state private investment fund; business and economic incentives for high technology businesses
HB2739 HD1, SD2, CD1	Townsend Capital, LLC; SPRBs

## **SENATE CONCURRENT RESOLUTION(S)**

SCR28	Miss Hawaii; official hostess of Hawaii
SCR131, SD1	Robotics educational programs; Hawaii's public schools

## **HOUSE CONCURRENT RESOLUTION(S)**

HCR47	Chinese Lunar New Year Postage Stamps; hosting ceremony in Honolulu
HCR50, HD1, SD1	Hawaii capital cultural district designation
HCR83, SD1	Open source software in state government; status report
HCR165, SD1	Island Burial Councils; investigation and audit of nomination process
HCR181	Cultural consultants and monitors; study by State Historic Preservation Division
HCR238	Online "fixIt" system on State website

## **SENATE RESOLUTION(S)**

SR16	Miss Hawaii; official hostess of Hawaii
SR58, SD1	Institutional network and public, education, and government access systems; intergovernmental committee
SR69, SD1	Robotics educational programs; Hawaii's public schools
SR80, SD1	Island Burial Councils; investigations and audit of nomination process

## **Tourism**

## **SENATE BILL(S)**

SB2394, SD1 (Act 9)	Hawaii Tourism Authority new product development; vision and marketing plan
SB2395, SD2, HD1 (Vetoed 5/7/04)	Hawaii Convention Center; disclosure of information

SB2396, SD1, HD1, CD1	Hawaii Tourism Authority; general excise tax exemption; charitable groups
-----------------------	---

#### **HOUSE BILL(S)**

HB2061, HD2, SD1, CD1 (Vetoed 5/7/04)	Aloha Aina Patrol; Tourism Special Fund; county TAT percentages
HB2608, HD1, SD1 (Act 58)	Hawaii Tourism Authority finances; executive director compensation; sports coordinator; attorney hiring

#### **HOUSE CONCURRENT RESOLUTION(S)**

HCR161	Haleiwa Town; surfing capital of the world
--------	--

#### **SENATE RESOLUTION(S)**

SR67, SD1	People's Republic of China; visitor visas, human rights and drug trafficking; Honolulu International Airport immigration program.
-----------	---

### **Transportation, Military Affairs and Government Operations**

#### **SENATE BILL(S)**

SB473, SD1, HD3, CD1	Zoning permitting process; requires prior public hearings for halfway houses, etc.
SB1491, SD1, HD1, CD1	Appropriations and provisos for expenditures for various state government programs and positions
SB2021, SD1, HD2	Definition of "street rod vehicle" to include modified vehicles manufactured before 1968 or their replicas manufactured after 1967
SB2045, SD2, HD1, CD1	Appropriates \$50,000 to the Hawaii Civil Air Patrol, on a matching dollar-for-dollar basis by the Hawaii Department of Defense, for operational expenses
SB2404, SD2, HD1, CD1	Appropriates \$50,000 matching funds for the City and County of Honolulu, to host the 2005 National Association of Counties Annual Conference and Exposition to be held in Honolulu
SB2995, SD2, HD1, CD1	Various amendments to the commercial driver

licensing law to conform to the mandated changes of the Motor Carrier Safety Improvement Act of 1999

SB3080, SD2, HD2, CD1

Further economic relief to airport florist services, lei greeting services, and florist and lei greeting services

## **HOUSE BILL(S)**

HB680, HD2, SD1, CD1

Mandatory Ethics Training

HB1113 (Act 2)

Fictitious or fraudulently altered driver's license

HB1765 HD1, SD1, CD1

State board members attendance at board meetings; expiration of term for failure to attend three unexcused meetings

HB1770, HD1, SD2, CD1

Fines for each violation after the third violation of motor vehicle alarm systems law; revocation of driver's license for speeding in excess of 90 mph

HB1904, HD1, SD2, CD1

Income tax deduction for military reservists and National Guardsmen

HB1908, HD2, SD1, CD1

Set aside of federal impact aid moneys to establish and fund a full-time military liaison position and to fund the joint venture education program

HB1987, HD1, SD1

Penalties for illegal sun screening devices

HB2136, HD1, SD1, CD1

Procurement code; exemptions repeal; Attorney General exemption for out-of-state legal services

HB2181, HD2

HCDCH bonds for retired military personnel

HB2250, HD2, SD2

Habitually operating a vehicle under the influence of an intoxicant; penalties

HB2354 (Act 66)

Emergency appropriation for risk management

HB2523, HD1, SD1, CD1

Exemption of the passenger facility charge special fund from various statutory charges

HB2630, HD2 (Act 35)

Payment of commissions for selling fuel charges

HB2662, HD1, SD1, CD1

Loans to assist businesses located in communities near military installations; appropriation of \$100,000 to make loans

HB2703, HD1, SD2, CD1

Impact fees; counties; state highway improvements



HB2883, HD2, SD2, CD1

Establishes the enhanced 911 services for mobile phones (cell phone, cellular phone, hand held phone) law

**SENATE CONCURRENT RESOLUTION(S)**

SCR12, SD1

Barbers Point Harbor; Increase in Depth

SCR18

Unified Buddhist Church of Vietnam; support for religious freedom

SCR51

Health Benefits for Veterans; restoration

SCR52

Recognize the sacrifices being made by the Hawaii-based National Guardsmen and military reservists as they deploy to active duty

SCR97

Filipino World War II veterans; immigration visas for sons and daughters

SCR126

Veterans Benefits; increased funding

SCR149

Hawaii Superferry, Inc.; support

SCR181, SD1

Yukio Okutsu Veterans Care Home – Hilo

SCR203

Filipino Veterans of World War II; benefits

**HOUSE CONCURRENT RESOLUTION(S)**

HCR36, HD1

Rabat-Salé-Zemmour-Zaër, Kingdom of Morocco; Sister-State Relationship with Hawaii

HCR171

Transfer of vanpool programs to counties

HCR179

Kawaihae Harbor Access Road and fence; feasibility study

HCR250

Filipino Veterans Equity Act of 2003; Presidential and Congressional support urged

HCR258

Veterans benefits for Filipino veterans of World War II; Congressional support urged

**SENATE RESOLUTION(S)**

SR7, SD1

Signage for Korean Vietnam Veterans Memorial

SR8, SD1	Barbers Point Harbor; Increase in Depth
SR11	Vietnamese American Community's Flag Symbol
SR19, SD1	Pledge of Allegiance in Senate and House Chambers
SR23	Recognize the sacrifices being made by the Hawaii-based National Guardsmen and military reservists as they deploy to active duty
SR44, SD1	Kiyono Kunitake State Recreation Area
SR51	Filipino World War II veterans; immigration visas for sons and daughters
SR64	Veterans Benefits; increased funding
SR79	Hawaii Superferry, Inc.; support
SR114	Filipino Veterans of World War II; benefits

## **Water, Land and Agriculture**

### **SENATE BILL(S)**

SB2246, SD1, HD1	Agricultural Lands; private restrictions prohibited; agricultural leases, utility and access easements exempt
SB2440, SD1, HD1, CD1	Public lands; 999-year homestead leases; assignment to certain extended family members
SB2782, SD1, HD1, CD1	Habitat conservation plans; financial flexibility
SB2815 (Act 20)	Milk control; minimum prices and salvage values; governor's approval not required
SB2820 (Act 25)	Non-agricultural park lands; interdepartmental land transfers; geographical adjacency not required
SB2869, SD2, HD1	Kalaeloa Community Development District; HCDA to act as ombudsman for district concerns, including property maintenance
SB2968, SD1, HD1, CD1	Natural resources violations; DLNR administrative violations system established
SB3025, HD1, CD1	Office of Planning; report to director of DBEDT



**HOUSE BILL(S)**

HB1560, HD1, SD1 (Act 70)	DLNR; disposition of impounded and derelict vessels; notice required
HB1793, HD2, SD1, CD1	BLNR; Galbraith Trust; land exchange negotiations
HB1848, HD1, SD1, CD1	Exceptional trees; tax deduction for maintenance
HB2322, HD1, SD2, CD1	Aloun Farms; SPRB
HB2341, HD1 (Act 29)	Agribusiness Development Corporation; staggered terms for directors
HB2439 (Act 76)	Civil defense warning or signal devices and sirens; coastal zone management exemption
HB2859, HD2, SD2	International equestrian facility; feasibility working group established

**SENATE CONCURRENT RESOLUTION(S)**

SCR5	Land exchange between State of Hawaii and Parker Ranch Land Trust; Legislative review
SCR7	Submerged lands at Spreckelsville, Wailuku, Maui; rock groins maintenance; non-exclusive easement
SCR8	Submerged lands at Kaneohe; non-exclusive easement
SCR9, SD1, HD1	Land exchange between State of Hawaii and Maui Land & Pineapple Inc.; Legislative review
SCR85	Economic factors and impacts of forestry and agricultural resources; DLNR and DOA urged to consider
SCR99	Poamoho Camp; pending eviction; extension requested
SCR209, SD1	Renaming Heeia State Park to Lae O Kealahi State Park requested
SCR212	Waikane Training Area; U.S. Marine Corps; evaluation, clean-up and transfer to State

**HOUSE CONCURRENT RESOLUTION(S)**

HCR13	Submerged lands at Kaneohe; non-exclusive easement
HCR54, HD1, SD1	Kaneohe Meadowland; natural and cultural resources protection
HCR73	Poamoho Camp; pending eviction; extension requested
HCR124, HD1	"Blue Hole" diversion; lease of water rights to Kauai Island Utility Cooperative
HCR255, HD1	Stream Erosion; Heeia, Kealahala/Keolaa, Kawa, and Kaneohe streams; assistance from DLNR and C&C of Honolulu
HCR260	Agribusiness incubator for Waialua; CTAHR to develop and manage

**SENATE RESOLUTION(S)**

SR29, SD1	Spinner Dolphins; NOAA and DLNR protection
SR42	Economic Impacts; DLNR and DOA urged to consider
SR53	Poamoho Camp; pending eviction; extension requested
SR104, SD1	Haiku Stairs; access issues resolution requested
SR120, SD1	Renaming Heeia State Park to Lae O Kealahi State Park requested
SR123	Waikane Training Area; U.S. Marine Corps; evaluation, clean-up and transfer to State

**Ways and Means****SENATE BILL(S)**

SB420, SD1, HD1, CD1	Compliance resolution fund; transfer to general fund
SB2525, HD1, CD1 (Vetoed 4/27/04)	Compliance resolution fund; transfer to general fund; compliance and regulatory education fund; appropriation

SB2529, HD1, CD1	Certificates of deposit; securities for public funds
SB2983, SD2, HD1	State income tax law and federal Internal Revenue Code conformity
SB2990, HD1	Integrated tax information management system special fund
SB3182, HD1, CD1	Business Action Center; civil service positions

## **HOUSE BILL(S)**

HB1800, HD1, SD1, CD1 (Act 41)	State budget
HB2004, HD1, SD1, CD1 (Act 40)	Drug abuse treatment, prevention and program monitoring; appropriations
HB2009, HD1, SD1, CD1	Hawaii Farm Bureau Federation; College of Tropical Agriculture and Human Resources; agricultural research and market development
HB2280, SD1, CD1 (Act 42)	GO bonds authorization
HB2337, HD1, SD1	Name changes; filing fee
HB2397, HD1, SD1 (Act 67)	Disaster revolving loan fund; emergency appropriation
HB2511, SD1, CD1	Income tax withholding
HB2585, HD1 (Act 1)	Legislative budget
HB2741, HD1, SD1, CD1	Position justification; deputy directors; special assistants; appointment
HB2743, HD2, SD1, CD1 (Act 43, Act 52 (Veto Override))	Special and revolving funds; transfer balance to general fund; balance ceilings
HB2748, SD1	Business Action Center; civil service positions
HB2749, SD1	Public contracts; interest payable

